
THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1994 - 99

THE SENATE

Friday, August 23, 1996

The Senate met in the Senate Chamber, Parliament Buildings, on Friday, August 23, 1996, at 11.00 o'clock a.m.

PRESENT

His Honour Senator F. W. GOLLOP (President)

His Honour Senator C. L. BOLDEN (Deputy President)

Senator the Honourable R. R. FARLEY (Minister of Industry, Commerce and Business Development) (Leader of the Senate)

Senator the Honourable P. C. GODDARD (Minister of Foreign Trade and International Business)

Senator the Honourable G. S. H. MURRAY (Minister of State, Prime Minister's Office)

Senator Miss C. Y. FORDE (Parliamentary Secretary, Ministry of Education, Youth Affairs and Culture)

Senator T. E. BARKER (Parliamentary Secretary, Ministry of Finance and Economic Affairs)

Senator Miss O. P. SYMMONDS, G.C.M.

Senator D. T. GILL

Senator Miss J. C. ODLE

Senator N. A. LYNCH

Senator N. P. WELCH

Senator J. A. WORKMAN

Senator Mrs. P. E. RICKINSON

Senator S. P. BERNSTEIN

Senator the Venerable Archdeacon J. L. SPRINGER, G.C.M.

Senator Mrs. V. J. Davis

Senator C. K. LAURIE

Senator Mrs. A. P. THOMPSON

Prayers were led by Fr. Errington Massiah.

Mr. PRESIDENT: The Senate is in session.

ANNOUNCEMENTS BY HIS HONOUR THE PRESIDENT

Mr. PRESIDENT: Earlier this morning, I was advised by the Clerk of Parliament, now attending the General Assembly of the Commonwealth Parliamentary Association in Kuala Lumpur, Malaysia, that Miss Billie Miller, Deputy Prime Minister, had been elected Chairman of the Executive Committee of the CPA.

Miss Miller is the first woman to chair the CPA's Executive Committee. This Committee is comprised of 32 parliamentarians from around the Commonwealth and it manages the Association's extensive programme of support for parliamentary democracy in the Parliaments and Legislatures of Commonwealth nations, states, provinces and dependent territories.

As Chairman, Miss Miller, for the next three years, will be Executive Head of the Association and will be a spokeswoman on all matters affecting policy. I am sure that Honourable Members in the Senate will agree with me that this is signal honour, not only for Miss Miller but for Barbados and the region.

PRESENTATION OF PAPERS

SENATOR THE HON. R. R. FARLEY: Mr. President, I am commanded to lay the following documents before the Honourable Senate.

1. The Duties, Taxes and Other Payments (Exemption) (No. 9) Order, 1996.
2. The Annual Reports of the Labour Department for the years 1988, 1989, 1990 and 1991.

SUSPENSION OF STANDING ORDERS

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that Standing Order 45 (2) be suspended for the remainder of this Sitting.

The question was put and agreed to.

INTRODUCTION OF BILLS

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to give notice of the following:

1. The National Productivity Bill, 1996.
2. Port St. Charles Development Bill, 1996.

On the motion of SENATOR THE HON. R. R. FARLEY the following Bills were read a first time:

1. The Value Added Tax Bill, 1996.
2. The Final Appropriation (1995-1996) Bill, 1996.
3. The Education (Amendment) Bill, 1996.
4. The National Productivity Council Bill, 1996; and
5. The Port St. Charles Development Bill, 1996.

PUBLIC BUSINESS

ORDER NO. 1 – THE SPECIAL DEVELOPMENT AREAS BILL, 1996

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move the second reading of this Bill, the Special Development Areas Bill, 1996. This Bill, Mr. President, should be debated against the backdrop of the country's national objectives and its stated economic policies. We believe, Sir, that this Bill will make a significant contribution to the development of Barbados through its improvements on the quality of life in both rural and urban Barbados, Sir, through economic, social and environmental renewal programmes, projects and other activities.

Sir, as I stated in the preamble to the Bill, it is an act to provide for the designation of special development areas, relief to persons carrying out work in these areas, and to persons providing the financing for such work.

Now Sir, this concept of Special Development legislation, Sir, to confer benefits on particular geographic areas, is really not an entirely new concept within the

worldwide spectrum of taxation. In fact, Sir, if one were to look at several jurisdictions, including among them the U.K. where the Dockman's Project, the Investment Bill was fuel by the introduction of Special Development Areas Legislation as well as Jamaica and other jurisdictions which have had such legislation. In addition, Sir, the concept of providing incentive legislation to fuel private sector activity is really not a new one within the context of Barbados either.

If one were to look, Sir, at legislation such as the Fiscal Incentives Act which confers a regime of benefits to persons engaged in specific activities, in this case, Sir, in the case of Fiscal Incentives Act, relating to manufacturing enterprises, the Fiscal Incentives Act confers benefits ranging from tax relief on the inputs to production. It provides for that legislation, along with others, for accelerated depreciation of buildings used in the process. It also provides for relief from corporation tax.

The Fiscal Incentives legislation, however, as it is designed, limits the nature of the enterprises which can benefit to manufacturing relating enterprise. It also, generally, is not geographically specific in that the benefits of the Fiscal Incentives legislation, for example, Sir, can be conferred on an enterprise wherever it may be located. That is to be contrasted with other legislation used by what is known as free zone, which is based on the Maquiladora concept, Sir, as it is so called where a specific geographic area is identified, and where businesses, by virtue of being located in that particular free zone area, are also known as Export Processing Zones, EPZ's. Where those businesses by virtue of being located in there and conducting certain specified types of activities, automatically are entitled to certain benefits. We have been able to draw on the existence of these particular types of tax initiatives, Sir, as they exist all over the world to come up with a Bill which we know will redound to the benefit of Barbados.

In addition, Sir, the application of the concept of tax relief for major investments, although limited within the Fiscal Incentives Act, previous Governments have been able to find a way and have used other mechanisms for providing incentives where existing legislation did not so provide.

I will give you an example, Sir, of the Royal Westmoreland Golf Course. Golf courses, as you know, Sir, were not among the list of activities for the Fiscal Incentives Act or any other legislation. They were not part of the Hotel Aids Act and existing legislation. From time to time Governments in order to facilitate development have found it necessary to come up with regimes of tax relief which would facilitate private sector investment.

11.30 a.m.

Sir, this particular concept was well articulated by the Government when in its 1995 Financial Statement and Budgetary Proposals the Rt. Honourable Prime Minister made reference to the Government's perception of the role which would be played by special development areas, and I quote:

"Government's involvement in these projects should be that of an enabler, providing the money to pay for the studies and that it should arrange a package of incentives for the private sector to make investments in new businesses in these areas."

That, Sir, is very much in keeping with the concept of facilitating private sector investment. In other words, Sir, Government can exercise one of two options in getting involved in developments in a country. Government can either tax the individual taxpayers and become itself almost the sole investor in everything from real estate to supermarkets, to office buildings, to factories, or it can forego the collection of taxation in certain specific projects and, instead, allow private individuals and corporate entities to make use of their own funding to do such work.

Sir, the objective in bringing this kind of legislation is in keeping with Government's objective of encouraging economic expansion which would lead to sustainable growth and, of course, the enhancement of employment opportunities.

It also, as I would have indicated previously, supports the regeneration and development of specially designated areas through capital spending programmes funded by the private sector on the basis of special incentives. It also seeks within the designated areas to create an environment in which people would want to live and work.

Now, Sir, the designated areas that are listed in the First Schedule to the Bill are Speightstown, the Scotland District, the St. Lawrence Gap and the Carlisle Bay area. The Bill also makes provision for the Minister of Finance to designate other areas to be special development areas.

As you would appreciate, Sir, legislation has to be drafted in such a way that it has as wide as possible applicability to a range of situations. Whilst these four areas we mentioned in the Bill today are those areas for which preliminary work has been conducted for which we have been able to identify projects which are ready for execution, we also have to design the Bill in such a way that where additional areas are identified as being suitable for very special development areas' legislation, that they can be added to the Schedule without having to move any amendment to the particular legislation.

Now, in terms of some of the more specifics about the areas in question, when the Bill makes reference to Speightstown, it is generally speaking of that area from Six

Men's to Road View on either side of the new Highway. In terms of St. Lawrence Gap the reference is with respect to both sides of the gap. In terms of the Carlisle Bay area that would be the area generally from Needham's Point to the Bridgetown Port, including the Careenage, Trafalgar Square, the Bridges, St. Michael's Row, Martindale's Road, Jemmotts Lane, both sides of Bay Street and back to Needham's Point. The Scotland District, as referred to in this Bill, is the Scotland District as described under section 2 of the First Schedule of the Soil Conservation (Scotland District) Act, Cap. 396. That generally speaks to an area stretching from Consett Bay to St. Andrew.

Now, Sir, it is important that we understand at the beginning of the debate on this Bill the listed activities and they are listed in the Second Schedule to the Bill. Again provision is made in the Bill for the Schedule to be amended, as may be appropriate, by the Minister to meet the situations that would arise in the future. It is intended that the benefits embodied in this legislation will apply to projects including hotels, residential complexes, commercial and industrial buildings including office complexes, other facilities generally offering services to the tourism sector, water-based activities, tourism projects highlighting the heritage and natural environment of Barbados, arts and cultural activities and, of course, agricultural-based activities.

Sir, if you look at these general categories, you will notice that we have tried to accommodate a wide mix of investments. That recognises the fact that these special development areas are areas in which people both live and work and we want to encourage that particular mix of activity. Within the context of Bridgetown, for example, efforts are being made to ensure that Bridgetown becomes a place where many persons, of whatever income grouping, would want to live. Why could we not have within the context of the Carlisle Bay development area provision made for an up market condominium complex? Why could we not also have within the context of the redevelopment of Bridgetown, provision made for an improvement in the general housing conditions of persons who already live there?

You will note, Sir, that even while we are in the process of piloting this Special Development Areas Bill, Government, acting on its own initiative, has taken steps to resuscitate the Pondsides Housing Development which, having been started prior to 1986 somehow seems to have been stalled at the first phase.

Aside.

SENATOR THE HON. R. R. FARLEY: I am being advised that it was abandoned by the last administration. However, Sir, work is already on the way to ensure that the Pondsides Project as originally conceptualised is

continued so that the persons resident in the areas adjoining Bay Street, Nelson Street and the other areas between the Jemmott's Lane area and the Bridgetown Area are able to enjoy a higher quality of life within Bridgetown.
11.40 a.m.

Certainly, Sir, we are not of the view that the solution to the housing situation of those individuals simply lies in moving them out into other areas and that project, as I said, is very much on the way and is in keeping with the concept of special development areas where we are seeking to have not only better economic activity, Sir, but also improved social conditions for the persons who live in those areas.

Now, Sir, that also would be one of the fundamental reasons why you would have included an area like the Scotland District within the special developments areas. The Scotland District as you know represents almost some 15% of the total land area of Barbados. Also, within that area, stretching from St. John down to St. Andrew it also accounts for some 6% of the population and 6% of the total work force. But, Sir, only about 25% of the persons living in that particular area work in that area. In other words the economic opportunities for those individuals exist outside of the area in which they reside. Generally speaking they have to come to Bridgetown.

In addition, Sir, the opportunities for employment for that 25% will largely be through a number of governmental entities, soil conservation unit and others along with some fishing that is done in areas like Bathsheba and Tent Bay. So that any move to strengthen the possibility for investment in economic activity within the Scotland District will naturally provide a greater opportunity for persons who live there to find employment there which will in turn seek to ensure that there is not the possibility as sometimes occurs for persons to want to leave the area in order to find economic opportunities closer to their place of residence.

In fact, Sir, the statistics have indicated that over the years there has been a decline in the population of the area. In fact, Sir, between 1960 and 1970 a 5% decline in the population of that area was recorded and we would want to see, Sir, that that particular picturesque rural area in Barbados does not become subject to a major drain of the population.

Again, Sir, because of the diversity of the areas to which this legislation is being made to apply we have a specific tourism area in terms of St. Lawrence, two general commercial as well as tourism areas of Speightstown and Bridgetown and an area which is largely rural and for which the economic base is strongly linked to agriculture, so it is important we designate the areas to be particularly wide.

Take for example again in terms of the application of this Bill. This Bill, Sir, would provide incentives for persons engaged in agriculture related areas as well as activities involving the preservation and other use of the built heritage of Barbados and in the context of the Scotland District one could see a mixture of public and private sector initiatives being undertaken over the next few years to facilitate that. In fact I think the public sector has been generally speaking ahead and has already perhaps laid the foundation for private sector investment although there is still some work to be done.

The existence, Sir, of the Greenland to Checker Hall Road, the road which was built in the first instance to accommodate the movement of clay from the Scotland District to the Cement Plant forms part of an ever widening network which includes Highway 2A which would ensure that accessibility of the Scotland District does not continue to be the problem which it has proven to be over the years, particularly for industrial type activity.

The infrastructure, Sir, is going to be expanded with other road improvements and so on in the area. The work of the Soil Conservation Unit in ensuring the continued stability of those areas within the Scotland District that are prone to some slippage does not need any comment from me but it lays the foundation for investment in agriculture. It lays the foundation for investment in tourism related activity particularly in the area stretching from Bathsheba going towards St. John where a number of small country inns have long existed such as the Kingsley Club and the Edgewater Hotel and of course the Atlantis Hotel I am being reminded. How can I forget the wonderful food there.

Sir, the fact of the matter is we need to encourage additional investment in that particularly beautiful part of Barbados. The recognition has to be known by all that the concept of hotels on the beach has limited opportunity for growth in the context of Barbados because there is a finite amount of beach land that is available on the West Coast of the Island so that other areas which have their own attractiveness have to be encouraged and that would include the East Coast of the Island.

We also, Sir, can see opportunities for some afforestation in the area particularly through the planned planting of particular tree crops which are either native species to Barbados or others can be imported and which would have some particular economic importance.

There is also, Sir, opportunities for greater development in the craft industries in the Scotland District area especially given the availability of indigenous raw materials in the area as well as the booster in tourism which we would expect to follow the introduction of this special development area Bill.

Sir, I gave this example of the Bridgetown situation as well as the Scotland District situation to indicate, Sir, that this Bill is not merely about providing incentives to spur economic activity but it is also designed to ensure opportunities are provided for the enhancement of living conditions of people residing in those areas and also that by virtue of providing increased economic activities in those areas the incentives for persons to leave those areas would be reduced. In fact, Sir, we would like to see a complete reversal of the trend where other persons would want to move into the area and therefore enhance the viability of those particular communities.

Now, Sir, in terms of the particular incentives that are being offered under this particular Bill. Now section 6 of the Bill, for example, makes provision for exemptions from income taxes and I speak, Sir, to the situation in which a loan is made to an approved developer of a sum of money raised for the purpose of financing improvement works during the development period and it makes provision for the interest received by the investor in respect of loan to be exempt from the payment of income tax. The Bill also makes provision for the exemption from the payment of duties and taxes and those duties and taxes are specified in the Third Schedule to the Bill and they include import duty, stamp duty and consumption tax and value added tax on building renovations and refurbishment. It would include, Sir, charges on repatriation of interest and capital for a 10-year period. It would include, Sir, a waiver of land tax on the improved value of the land and the waiver of the property transfer tax payable on the particular transaction. 11.50 a.m.

The Bill also makes provision for reduced rate of corporation tax to be payable to the developer and it also provides for a further depreciation on the buildings constructed under this particular regime. But as I indicated, Sir, at the commencement of the second reading that debate on this Bill must be considered within the context of broader economic and development policy. This particular legislation I believe, Sir, will give a very special boost to the Tourism Development Programme.

Sir, now the Tourism Development Programme is a very important component in the overall development of tourism in Barbados and I would want to mention at this point that it is important that we recognize that any expansion in tourism must come from a joint effort being made in what I consider to be vital areas. That is, Sir, tourism marketing where we make improvements on our advertising and other promotional and marketing efforts. But we also must seek to develop the level of infrastructure and the level of attraction and the services we offer to persons who actually visit in such a way that we strengthen the quality of the product which we have on offer.

Sir, that Tourism Development Programme which is presently conceived for planning and development purposes is divided into a number of components but includes developments relating to cruise and boating tourism, small hotel sector, the training for institutional strengthening, and that is one sub-programme altogether, and the other programme is Urban Rehabilitation focuses on Bridgetown, Speightstown and St. Lawrence Gap areas. It is that urban rehabilitation sub-component that will particularly benefit from the provision of the Special Development Areas legislation and the other sub-programme relates to heritage tourism, nature bird sites and within that area includes Graeme Hall Swamp.

So that, Sir, to the extent that we are able to enhance the appearance, services and to enhance the opportunities that are provided under the Urban Rehabilitation Programme in Bridgetown, Speightstown and St. Lawrence Gap, then we will be able to significantly boost the quality of the tourism product. In fact, Sir, if we were to sit back and look at this matter carefully, we would recognize that if we were to proceed with expanding our tourism marketing without having a strong development programme we could in fact be bringing more people to see a product with which they are dissatisfied and therefore give more people the opportunity to express dissatisfaction with the product. It is important that we consider what we do here in Barbados as being a significant part of development of tourism.

Sir, take for example within the context of Bridgetown, part of which falls within the Carlisle Bay Special Development area, there are a number of activities that are taking place which will be effected by the Special Development Areas Bill but which will also have a wider impact on tourism development and, in fact, on the level of pride which we can take in our capital city. So that amongst the plans that are on the drawing board for which the preliminary work has already been done include infrastructural and other related improvements to Tudor Street and Baxters Road. The Government will be undertaking works to improve the general conditions in those areas and this will serve to be a useful adjunct to the developments which the proprietors in Baxters Road and Tudor Street are already planning to execute in those areas. They include within the general Bridgetown redevelopment concept, the redevelopment of the Cheapside Market. That has a two-fold benefit, Sir, and that will be executed by the Government. Again, plans have already been drawn up and preliminary work has been done. The Cheapside Market has the potential to provide opportunities for our small business persons mainly vendors to have an opportunity to do their business in the comfort and convenience of a refurbished Cheapside Market. But in addition, Sir, that entire area to the west of Bridgetown is also part of the pedestrian trail which a person coming in off a cruise ship would be using to get to Bridgetown. So that the redevelopment of the Cheapside Market and

associated areas will benefit not only the domestic sector in terms of providing greater opportunity for small business persons to be able to do their business in comfort and convenience and for local customers to be able to shop again in comfort and convenience but also it will provide much needed enhancement of that area. Adjacent to that Cheapside Market is the old Town Hall, Jubilee Garden and the general environs there, Sir, which you I am sure will agree are, if no other place, very much in need of an overhaul. The former Town Hall right now is almost a disgrace in terms of its appearance in Bridgetown and certainly the Lower Green could do with some greening. All of those plans for restoration and the greening of the Lower Green are part and parcel of the Bridgetown Redevelopment Programme.

There is also, Sir, the plan to restore the Empire Theatre which I am sure you know was originally built as a theatre. It was only converted to a cinema in subsequent years and therefore the acoustics and other technical attributes are already there to ensure that it can be returned to use as a theatre for Barbados. I think that the renaissance which we are experiencing, the arts and culture in Barbados, that the provision of a theatre of that size within a rejuvenated Bridgetown will provide greater opportunities for artists as well as provide an additional form of wholesome entertainment for Barbadians. We will not have to be as limited as we are right now in our choices.

12.00 noon

Sir, I should say that this Empire Theatre location sits within the designated Carlisle Bay Redevelopment Area, but also the general environs within the Princess Alice Bus Stand area, which is adjacent to the Town Hall area and the Cheapside Market, again forming part of that general pedestrian area from the Harbour to Bridgetown. Other infrastructural works are to be done in that area relating to drainage, sidewalks, street lighting and the restoration of other properties in Bridgetown. For example, the non-governmental sector has been involved for some time in the restoration of the Barbados Synagogue which, I am told, has become something of a tourist attraction these days.

These projects represent part of a general recognition that we need to have a strong tourism development programme to have locations where Barbadians and visitors alike can visit and be proud, and that this Special Development Areas Bill will perform the role of a catalyst in seeking to mobilise investment in these areas.

If you look at Speightstown, Sir, Speightstown will benefit no less. In fact, Sir, among the plans that are already in the preliminary stages of execution will be the restoration of Arlington House. That, Sir, as you know, is one of the landmarks in Speightstown and restoration of that will be done by the Government mainly through the

Barbados National Bank which proposes to house some of its activities there.

In addition, there is also the plan for the erection of a jetty and related infrastructural improvements in the Speightstown area, and the proposals there are to construct a jetty which is capable of providing berthing facilities for small cruise vessels and the coastal pleasure craft as well. That action, which again has been undertaken with consultation with the Florida Caribbean Cruise Association and others will provide opportunities for additional services to be provided by the existing merchants and other business persons in the Speightstown area.

I am giving these as just but a few of those activities which the Government already has on the drawing board for execution in the designated areas. But, Sir, if you were to look at the Carlisle Bay Redevelopment Area, and Bridgetown generally, you will notice that there are a number of properties there that are owned by the Government and I want to take the opportunity of this Special Development Areas Bill to make some comments concerning what the plans are with respect to those Government owned properties in that area.

The Government has taken the decision that it will seek to leverage investment in those areas by means of joint ventures of various sorts with the private sector, using those properties where appropriate as part of the equity investment in those particular ventures. The Government does not intend to proceed in the direction of merely disposing of those properties in favour of individual persons or individual corporate entities for their sole possession and improvement. What instead will happen is that the Government will vest a number of properties in these areas in the Barbados Tourism Investment Corporation, which has been restructured to carry out the mandate that is implied in its name, and that mandate is to facilitate investment within the tourism sector. You probably might not believe it, Sir, but prior to this re-invention of the Tourism Investment Corporation one of the principal roles of the Tourism Investment Corporation was to manage Dover, Sherbourne and two tour buses. That does not seem like a proper role for a tourism investment corporation. In fact, one of the shortcomings we have had in terms of our attempt as a nation to increase the level of investment in tourism is that there has not been a single agency performing the level of promotion and facilitation services for tourism as you have, for example, for manufacturing and information services provided by the Barbados Investment and Development Corporation.

The fact of the matter is that if we want to move investment forward we need to have promoters who are dedicated to that particular goal, who are known to potential investors and who are also capable of moving investment forward. So that if you were to analyse

those areas in which we have been able to attract investment - the offshore financial services, information services and manufacturing - you will notice that those three areas have been the beneficiaries of active promotion. In the case of the offshore financial services, much of that was done by private sector promoters, the attorneys, the accounting firms, other consultants and so on, but they have actively sought to solicit business and facilitate the necessary approvals, registrations and generally speaking to follow and facilitate the implementation. What, like I said, has been lacking is an equivalent entity which would actively solicit investment in various tourism related projects and, having successfully attracted the attention of a potential investor, to work with that investor to get through the maze of bureaucratic requirements which can be inherent in developing a major tourism project, anything ranging from Town Planning permissions to Ministry of Health and other approval to dealing with the various Government agencies and the private utilities and so on, and the Barbados Tourism Investment Corporation has been mandated to perform that role.

Our view is that by vesting these properties with that organisation we are now in a position to allow for a speedier development in those areas and also development which will not in any way rob the general public of Barbados from having an interest in those particular properties which the Government generally is perceived to be holding in trust on behalf of the citizens.

I expect that this Special Development Areas Bill will provide some impetus to the general thrust towards economic and social improvements in the designated areas. We expect that the Special Development Areas Bill will encourage greater investment in the designated areas which will in turn result in increased opportunities for employment by persons in those areas and beyond and I, therefore, am pleased to commend this Bill to the Honourable Senate and beg to move that this Special Development Areas Bill 1996 be now read a second time. 12.10 p.m.

SENATOR C. A. MASCOLL: Mr. President, anyone who has taken time out to look at this legislation would recognise that there are some very serious reservations that one would have. Some very basic questions need to be asked about this legislation and the intention. Who is this Special Developments legislation seeking to attract? Is it oriented towards Barbadians? If so, would investment in today's Barbados be realistic in light of the fact that there has hardly been any increase in the real spending power of Barbadians? Who would be purchasing the products of this investment? Can we say that there is going to be the employment benefits from the intentions of this special development area?

There are a number of concerns that I certainly have in debating this Bill. Let me start at the very beginning of

the debate in terms of the need to demarcate special development areas. This is a very serious thing in terms of some of the provisions that are eventually made in the Act to reveal individuals who will occupy a space in that particular area while disadvantaging those who live just on the border or periphery of the area.

Let me explain what I mean by way of an example. There is a provision in this Act which says that the exemption on taxes and duties on the improved value of land in this area... but when one looks at an area like Heywoods and at the Heywoods Development Project just above the hotel there is no way that an imaginary line which I am presuming runs along the road can prevent land in that immediate area, the houses underneath CP, from improving in value as a result of the project at Heywoods Hotel as well as the Marina.

What I am therefore saying, Sir, is that while the SDA will enhance the value of property in the area itself of Heywoods and the Marina that the area immediately surrounding will certainly be enhanced substantially in value. That is important because the improved value of that land is only of significance to the existing owner to the extent that that owner intends to get rid of the land and property. It becomes a burden in terms of land and property tax for that individual who is occupying that area as a result of the improved value. Therefore, each year the land taxes and the property taxes of the owner of that property will skyrocket.

I am suggesting that while it is good that the value of the land will appreciate in the owner's interest that I can see no short-term benefit resulting from that appreciation in the property and land. Therefore, to the extent that you do not get rid of the property, all you have effectively done is enhance the value of your property while increasing the short-term costs of things like insurance, land and property taxes and that there is no provision within the special development areas to exempt land tax on the improved value of land that there would be no such improvement in the area immediately bordering the SDAs, and that is a significant point to be made.

Indeed, if the other Senators in our midst can explain to me the immediate value of the appreciating land which is going to border the SDAs I wish to hear of the benefits that will accrue. So far, I am saying that an increase in that value is only good to the extent that it improves the book value of that owner's property while encouraging that property owner to have increased insurance costs, to have increased land and property taxes at the end of the year.

I cannot see this imaginary line doing a substantial amount for those who will occupy some space within the SDA which will mean significant appreciation in terms

of land and property value but that immediately bordering we are going to have a substantial impact on the immediate costs of those property owners so that that to me demonstrates why it is difficult to understand this demarcation, why it is difficult to accept an imaginary line passing through some boundary and 5 yards beyond there will obviously have to be an impact in terms of the value of land without any corresponding short-term benefit to the owners of that land.

What may very well happen is that any success of that area surrounding Heywoods may very well encourage an expansion and therefore may encourage existing owners of property in the Heywoods Development Area to sell eventually their land and property, thus increasing the land ownership of non-nationals in Barbados. So I have substantial difficulty in understanding this imaginary line that the SDAs will provide. That, therefore, constitutes the first major concern that I have with this legislation.

The other area certainly is that no one really knows the criteria used to determine the 4 areas which we have before us. What we have subsequently heard is that in the interest of the small man there will be the inclusion of the Baxters Road area at some prior time. I am saying that if this Bill was conceptualised with the view of uplifting the small man in mind then there would have been immediate consideration of that area as a special developments area. Not an afterthought, not coming into the debate only after there was concern and some consideration for the plight of the small man.

In terms of the whole question of the SDAs and simply taking out a small part of the landscape to be determined as an SDA there are certain basic natural requirements for growth in any area. It is not by accident that Hometown developed the way it did, Oistins and certainly Bridgetown, to the exclusion to some extent of Speightstown. It is because there are particular circumstances surrounding the area of Speightstown, that northern area: St. Lucy, St. Peter, St. Andrew. One would see automatically at a glance at a population census or the like that there has been for many a year concerns over the issues of settlement within the northern part of Barbados. Within St. Andrew, when you look at the population census you will see some decline in the housing stock. You have seen a natural move from those kinds of areas. You have seen very slow growth in population in St. Lucy and St. Peter.

12.20 p.m.

I am saying that businesses are attracted by purchasing power. In the absence of that purchasing power, there is no way you can believe that you are going to encourage investment in such areas where there are hardly any persons knocking around to purchase the products that would eventually result from the investment. It is not by

accident at all that Speightstown continues to struggle as an area in terms of economic activity.

Even in this present piece of legislation there will be serious considerations in terms of where Speightstown will go. As I said, the developments and the Marina, Heywoods and the like would certainly enhance the property values within the immediate Speightstown area. One, therefore, has reservations as to what will be the opportunities provided for small people in the Speightstown area in terms of getting access to the real estate that is there.

What is important is to determine who are the existing owners of the real estate in that immediate area and who will stand to benefit as a result of this development. Certainly, I cannot see, even in the absence of the knowledge of the ownership, any intrusion by the so-called poor black man in the business community.

Now, how could you have - that's another thing too, this whole question of poor black men. I was told, only recently, that a poor black man borrowed \$28 million. How could he be poor and borrow \$28 million to purchase a property? I have extreme difficulty in understanding the whole thing.

Asides.

SENATOR C. A. MASCOLL: Let me not be side-tracked here.

Therefore I wish to understand again, given all the development that is taking place in Speightstown, what will be the banking services provided and who will provide these services? We were told that the Barbados National Bank intends to expand, and that constitutes part of the whole development thrust within the Speightstown area, yet still within the IDB document we are told that the Barbados National Bank will be privatised.

I therefore have difficulty in understanding, Sir, how we could have held talks with the management of the Barbados National Bank to determine whether or not there will be additional expansion of the National Bank in the Speightstown area in light of all that is taking place, yet at Page 9 of the IDB document, we have been told that the Barbados National Bank will be rechartered under the legislation governing commercial banks. Subsequently, at least 51% of the ownership will be bought at point of sale, and subsequent the Government of Barbados may further reduce its equity in the bank.

Therefore, in light of what is intended there, how could there have been discussions surrounding whether or not the National Bank is going to develop in light of the increased opportunities that will be made available within the Speightstown area, when there is already, elsewhere,

some decision taken to privatise the institution? There will be futile discussions with the management staff of the BNB in determining whether or not there should be expansion as a result.

It makes mockery of the entire Special Development Areas Legislation impacting on commercial banking in Barbados.

So therefore, that constitutes a major bone of contention. Will the BNB be given the kind of opportunities that, we were told, that they would be given, in this Special Development Area? While at the same time they are being told "you will have to privatise?" It does not make sense to me.

In the area of Carlisle Bay redevelopment. We were told by the Prime Minister of Barbados that his employment strategy is twofold. It is to create jobs by getting new enterprises come on board, or by way of expanding old enterprises.

Now, again, one has difficulty in understanding where the link will be made in relation to this Special Development Areas Legislation, because the major contention in exempting of taxes and duties in the Third Schedule, is that import duties, stamp duties, consumption tax and value added tax on imports for building renovations and building refurbishment, which therefore means that one is unclear as to whether or not a new building will also be given such provisions. If that is not the case, then, certainly, there is some confusion surrounding whether or not this legislation is geared towards encouraging the expansion of existing buildings or encouraging the building of new enterprises in these Special Development Areas. One is confused by that.

I think you understand from this particular clause here, where this Special Development Areas Legislation might have emanated. And it seems to me that given the confusion which we have existing along the Carlisle Bay beach area, along that stretch of beach from Needhams down to Carlisle Bay, that there was first consideration to provide enterprises in that area with an opportunity to refurbish and renovate.

Therefore, that satisfied particular needs of particular politicians, who set up a so-called development plan for the Bridgetown area, and as a consequence of that sort of consideration, it might have been said, somewhere, that we can further expand this talk to include St. Lawrence Gap, Speightstown and, maybe, Scotland District. Any thorough thinking on this issue would have first targeted new businesses, while it would simply be looking at the whole question of renovation and refurbishing. It is by way of new businesses that we can best give opportunity to those unemployed people in Barbados.

Simply asking people to renovate will not substantially increase job opportunities in these areas. So I am unclear as to whether this legislation is designed to encourage new businesses or simply to allow present existing businesses to expand and refurbish. If so, there is need for clarification in relation to that particular clause.

There is confusion in this whole question of these Special Development Areas, because it has been premise on very false assumptions. The assumption that in Barbados today, simply to encourage investment, is the way to create jobs without recognising who you are targeting, because if Barbadians cannot purchase the products that are being produced as a result of the investment, who would be doing the purchasing?

You cannot blame the existing regime. We have hardly had an increase in real wages in Barbados for the last 5 to 6 years. We have now had the full recognition on the part of the unions, that is the case, that prices have outstripped the growth of nominal wages and therefore the spending power of Barbadians has been eroded? As a consequence, now, there is a whole new fresh debate surrounding whether or not workers are adequately compensated, when that should be the first requirement in any determination as to whether there can be increase investments in Barbados.

So far there is no evidence of that. There is no evidence that to create new products, goods and services in Barbados would result in any expansion, because where is the spending power going to come from? There is an absence of that. So no one can demonstrate any evidence of that. That there has been any increase in the real purchasing power of workers in Barbados. You can see it. There has been an suppression. There has been cuts, in some areas, suppressions in other areas, hardly any increase in nominal wages of workers and yet still we are hearing about all this expansion and this investment that is going to take place and job creation. How could you have it? How could you have increase job creation when there is hardly any increase spending on the part of Barbadians? That is evidence by way of not my information. The Central Bank recently referred that there has been a drop in imports in Barbados.

Now, it is a whole set of confusion surrounding this economy. On the one hand you are saying that jobs are being created, there is expansion in the economy, yet still, Sir, there is no evidence that this expansion is being fueled, which it has to be in an open economy, by expansion in imports. So where is the expansion taking place? Where is the spending? Where is the increase purchasing power to purchase the goods and services to give Barbadians an opportunity to work? There is no such evidence in the economy.

This is precisely why we have had an increase in the foreign reserves in Barbados, because since the people are not spending, there has been a contraction in our demand for imports and therefore the foreign reserves will automatically rise. So you cannot have it both ways. You cannot have an increase savings, compulsory savings, while there is increase investment and still jobs. Why the lies?

The other thing is this, Sir, when we take the evidence provided in a Central Bank Report, though they may be some reservations, we see that between 1994 and 1995 there has been growth for 4 000 jobs in Barbados. Now the previous year, according to the Central Bank Report, the number of people employed rose in 1994 to 95.5 thousand people, according to the Central Bank Report. Therefore in one year, under the Democratic Labour Party administration, there was an increase of over 10 000 jobs, according to the Central Bank Report. Whether or not I have reservations about it, is insignificant.

I have my reservations, but it is here. It is contained in the Central Bank Report that in 1994 versus 1993 there were 10 000 jobs created. Now, as I said, at page 89 the evidence is here so I have great difficulty in understanding why this Special Development Areas legislation is, in fact,...

12.30 p.m.

Aside.

SENATOR C. A. MASCOLL: I am being told, Sir, that I am wrong. I do not understand the legislation. Now there is an amendment before me saying that in the Third Schedule to the Bill, delete the words "building renovation, building refurbishment" occurring on the second line of paragraph 1 thereof and substitute the words "the construction of new buildings and the renovation of the refurbishment of existing buildings." Sir, I need to read it again, I have just spent 10 to 15 minutes discussing this issue, having been advised on the issue, because I do not have a monopoly of knowledge, only to be told in an asides that I was wrong. Yet still this amendment now states that you have both construction and new buildings and the renovation of existing buildings.

It shows that the Government does not have a clear philosophy about the whole question of job creation because last year in the Budget Speech the Prime Minister said on no less than five occasions that his job creation strategy is to have expanding business enterprises and to create new ones, yet still in the draft of this legislation no provision was made at all for the building of new enterprises. It was only thought about existing enterprises in Barbados. I am saying that the whole premise upon

which this Bill was constructed was a false premise. Fortunately in life we can have false premises and true outcomes.

My grandmother has said for years that the arthritis is hurting and the rain will fall. She has a false premise but was able to predict that it would rain and it rained. The whole question is on a false premise so that we can have all kinds of things happening and circulating in today's Barbados. You can have a false premise and a true conclusion and this is precisely what is happening with this legislation. We have had a false premise yet still we may be able to attract some levels of investment and maybe one or two jobs, but not significant.

There are some very serious things in this particular Bill which need to be discussed, Sir. Would you believe that small businesses have been fighting for years to have Government give them a low corporation tax and they were told all kinds of things? They were given \$2 million last year and the Lord knows where that \$2 million may be lying now in terms of an account. I do not have a clue.

Aside.

Mr. PRESIDENT: Order, please.

SENATOR C. A. MASCOLL: Small businesses were never given an opportunity to pay a low corporation tax like large businesses yet still we can now see provision being made for large multi-millionaires to pay a 30 per cent corporation tax as opposed to 45 per cent. That could never be.

Aside.

SENATOR C. A. MASCOLL: I do not live in the past. I am too young. I am looking ahead as a young politician. I have no time for the past. Thirty per cent corporation tax cannot go down well with the small business in Barbados. They have been fighting for low corporation tax and they were told all kinds of things over the years yet still we can see in this Bill provision being made for low corporation tax. But it does not stop there.

People investing in these areas are really getting subsidized interest rates because you are permitted to write off the interest component on any loan that you have. Now, this is really outrageous. While I understand the need to encourage investment, I think there is a bigger requirement in Barbados. Not only do we have to think about allocating the scarce resources which we have effectively, but we have to think more about the distribution of those resources and, in fact, the first concern of allocation is a role for the economists.

The second concern for distribution is a role for the politician and I have real difficulty in understanding why it is that in a growing economy that we do not see the need now to correct some of the ills of the past. I cannot understand why we do not use this opportunity to give, not just talk to small business, but opportunities. Why is it so easy for us to conceptualize a Bill of this magnitude to assist a whole set of foreign people in developing the areas of Barbados while at the same time neglecting the wishes of the agriculturalists, the wishes of the small businessmen and the wishes of other people who have fought for years to develop this economy? It is really very difficult to understand and I just cannot conceptualize the way that it is contained in this legislation. It is amazing.

It does not even stop there and, as I have said before, you cannot have an imaginary line dividing two areas. Where, in fact, does the special development area stop in Speightstown? Where does it stop? Where is the imaginary line? Is it along Heywoods? The Highway? Where is it because I have difficulty in understanding where it is? Whether it stops 2 yards away, there will have to be some impact and therefore one is wondering what is going to be the impact on those individuals who exist 2 yards away from this imaginary line. That is the context in which I was speaking earlier of the improved value of land that will result from this particular exercise. I have grave difficulty in understanding it.

There is another concern. This legislation has already given exemption to businessmen on this whole question of the Value Added Tax when the Value Added Tax has not even become part of the laws of Barbados. What is more is there is presently a big fight in the community as to whether or not which of those will attract a consumption tax and a stamp duty, say, in December, and which will then carry a VAT in January, whether there should be some consideration of refunding.

The thing about it is that the people who we are seeking to attract in this Bill have not even had to ask the question. They have been given the answer even without any consideration as to the negative impact it may have, yet businessmen in the community who had been making all kinds of rumblings in relation to this predicament which they will find themselves in, as at January have been treated with scant respect.

Mind you, I have my own views in relation to the refunding bit. I have already stated it. I have already stated that the refunding is too practical but the issue is that one must take into consideration the concerns of other people within this economy. I have difficulty in understanding why we are finding it so fit and so easy to facilitate all kinds of people, all and sundry, without due concern for those who have fought for us all these years.

This legislation does not stop there. This is really a full scale giveaway to any developer in these areas. This is amazing in terms of the impact it will have eventually on this country. It is amazing because it will have negative impact and therefore one has got to sit down to understand what is really happening. Without any concern at all we have seen the application, there will be no property transfer tax. Now that same issue of property transfer tax created perhaps the biggest stir in the political history of debating in this country. Perhaps the biggest stir ever created on this question of the property transfer tax was created in the Lower House over an issue surrounding property transfer tax when a concession was granted. Could you believe now that even without any consideration there is a full scale abolition of the property transfer tax on any transaction that takes place within these special developments area? Believe it. You did not even have to make representation. You were granted permission to pay no property transfer tax in this entire exercise no matter where you are in those 4 demarcated areas.

12.40 p.m.

Would you also believe that the initial cost of houses within this area, say like in Heywoods, which to my mind are only entry level costs? Five hundred thousand dollars for 2 000 square feet of land and the like, half million dollars for a condominium in this area and these are just entry level prices. What I am saying is that if individuals are willing to invest in the initial phase of this development in Heywoods at a benefit of \$500 000 for a condominium, it means therefore that the second phase there will have to be higher prices for the condominiums and as a result the initial set of houses will have to appreciate in value. We are therefore saying that these multi-millionaires who had access to the first set of houses which would have appreciated by the time the project is completed that the improved value of the land will not be taxed.

SENATOR THE HON. P. C. GODDARD: On a point of order, Mr. President, the Honourable Senator is confusing the Port St. Charles Development with the Special Development Zone Bill and we are discussing the Special Development Zone Bill.

SENATOR C. A. MASCOLL: That area is within the special development area. I am saying so because I do not know where it is. The Marina that is being built has to be within the special developments area. Why not? Where does it start? Where does it end? Where is the imaginary line? In any case the point is forceful that there will be an appreciation of the value of the initial houses purchased in this phase and therefore, according to this legislation those multi-millionaires will pay no land tax on improved value of land while you have just run down thousands of people for taxes they did not pay in 1972. This is amazing.

This is a full scale wipe out of opportunities for small poor black people. You cannot tell me that these fellows who will only live 6 months in Barbados... When they have these Marinas and so on, a fellow cannot have a million dollar yacht and not sail on the sea. It would not make sense. The yacht cannot stay tied up on the Marina and not go on the sea. It must go on the sea and he must be going through the islands so he is hardly spending any time in Barbados. Out of the six months that he comes to Barbados I do not know how long he will stay but he is now entitled to no tax on the improved value of land while the fellow who is just two yards away from the imaginary line will have to pay taxes on the improved value of his property. Where is the imaginary line in this debate. I do not know where it is.

Mr. PRESIDENT: Order, please.

SENATOR C. A. MASCOLL: We have the standard thing like repatriation of interest and capital for a period of 10 years commencing on a date to be prescribed by the Minister. This is normal fiscal incentives and then the fortunate thing about this one is that unlike the manufacturing enterprises where he would have occupied IDC premises he would have purchased this piece of property. Now after 10 years I do not know what is going to happen to the business that has been established. Is this business going to take some of the profits made and develop the areas to the north? Would we therefore have an expansion of the SDA's to the extent that we become so profitable that the entire Barbados area becomes an SDA?. That would be an optimum solution because the day that we make the entire Barbados a special development area we have again levelled the playing field so I look forward to the day when we have been so successful in this initiative that we can spread the SDAs right across the country in which case we have levelled the playing field. All the small poor black people will now have opportunity to invest and to get profits and to own marinas.

An amazing thing is happening in this country. I cannot believe the magnitude of it. I understand the dire need of this Government to create jobs but I do not understand the full scale sale of Barbados. This is amazing in what it can do. It can fully sell out the existing land because, mind you, all the discussion which we are having now and a small man who lies on the periphery, who is just living outside of this imaginary line, finding that his land has improved substantially in value from say, \$5.00 per square foot to \$20 000 or \$30 000 a square foot, that small man has every right to sell that piece of land to get his capital gain. But what it does in the process, it reduces the opportunities for small people to own land in Barbados because they will be priced out of the market as a consequence of this special developments legislation. Then we have in the city area where there is no doubt that that property at Pondsides, as a result of this legislation, will appreciate substantially in value.

Now, mind you, it is a very good thing to know that poor black people will have an opportunity to live on land costing \$90.00 per square foot. That is good. Poor black people will get a chance to live on land costing \$90.00 per square foot right there at Pond Side, a great move. Or I will speculate, will we have it? Or will the IDB's view of land use policy be invoked? That is, why should we put small housing or housing for small people on land costing \$90.00 per square foot when that land could otherwise be used to develop businesses. Do you know what is going to happen? The IDB may very well step in and this initiative will not be one of the Government but will be one in conformity with the land use policy of the IDB document. So I am looking forward to it. I am looking forward to Government saying to hell with the IDB.

Mr. PRESIDENT: I would expect a certain decorum in language.
12.50 p.m

SENATOR C. A. MASCOLL: All I am saying is that given what is going to happen to the value of land in this area, will Government have the conscience to tell the IADB that we are putting houses for small people on that land because it goes contrary to the grain of the land use policy being enunciated by the Government which is in cohort with the IADB? Well, I look forward to that forceful statement being made. But it may very well be against the interest of this Government to do so because we are yet to see the first tranche being drawn down from that loan. I would like to know what is the delaying factor in Government having access to the first tranche of the IADB loan. But this is certainly not the debate to go down that road.

Now the whole question of conservation. Sir, in the Scotland District area we are well aware of the limitations of the area in terms of housing and even where it may be technically possible to build it will certainly be very expensive to do so. Therefore, one can immediately see that while a business may be able to construct such a building in the Scotland District area the cost will be prohibitive to small people. As a result, there is not going to be the spin-off effect that one is envisaging because there is no way it can happen. There is no way that businesses in the Scotland area who will be able to construct the buildings at high cost will feel comfortable to know that a small man sets up a wooden structure next to his business to devalue his property. So that almost by extension the whole conceptualization of this Bill and what it can do for the Scotland District rules out the possibility of small people owning houses in that area. As I said before, even though they may own the land, the cost will be prohibitive. They do not have any foundation in the Scotland District. When you dig, you do not find any rock. So what are you going to build on? I cannot see it happening. Are you going to build on sand? Sandy ground — we have passed that stage. I cannot understand

the holistic development that will take place as a result of this legislation within that area because in that area we have not even been able to get a proper road going into the East Coast Road. There are no alternatives and the NCF is now finding itself in trouble in terms of the lovely idea to place the Semi-Finals in this area but will find difficulty in terms of being able to develop it. I said that before. Sir, I cannot understand it. There are many other concerns as well in this entire set of legislation. Perhaps I think that the commercial building in St. Lawrence which is being talked about in this legislation could be extended. It should go beyond the Special Developments Area because you see there is nothing special about these areas. These areas are special as a result of legislation. But they are not special in relation to what can be done in these areas. These areas are not special for tourism purposes. There is no reason why Speightstown is any more special than some area on the other side of the coast. There is no reason why the St. Lawrence Gap area is any more special than some other area to the south side of St. Lawrence up towards St. Philip. You are hoping as a result of this legislation that you can make these areas special. I am saying that the entire area of Barbados is special and that it should be treated accordingly and that business people may think of the need to take the commercial building allowance and expand it beyond the SDA's. It is something to think about.

Regarding the industrial allowances as well, I have real difficulty in understanding the extent to which the Government has gone in trying to attract investment in Barbados and not investment that is going to radically transform the landscape. A Marina will not radically reform the landscape. A hundred or so houses in an area may give you 160 maids. But what else is there? They may purchase a few goods and services. But that is not going to cause any radical transformation of the economic landscape of Barbados. They are not putting in a plant that is hiring thousands of people at all levels of labour. What skills will the people of Barbados develop as a result of these measures? What are the skills that we can take to the SDA's that we do not presently have? What will we gain as a result? Where is the human capital development resulting from these areas so that we can say at the end of the day even if these businesses left Barbados we have something to hold onto? I cannot see any evidence of anything significant emanating from this because Barbados is not just about economics and finance. It is not just about finding work for people. Barbados is about finding opportunities for people to develop as individuals, not just to get a wage per week or salary per month but to develop Barbados in order to embrace other less fortunate people in our midst. There is no evidence that this legislation is going to do that. This Bill has no such pretensions. It does not even pretend to be embracing that concept. This is a straightforward thing of trying to get a little investment to get some jobs. That is all it is and we talk about giving away the family silver. This is the greatest example of that ever in the Barbadian society. This is the greatest example

of the giving away of family silver ever in the economic history of Barbados. This is full scale robbery because what this does is that this sets up another class of individuals against another class of individual businessmen. Where is the imaginary line? Does the imaginary line include the Heywoods property? I do not have a clue. Could the Government side tell me if the imaginary line in Speightstown include Heywoods? If it does then let me explain something about Heywoods. Heywoods represent vision on the part of the last administration and in fact it embraces a similar concept that when you have reached a stage in life where you are no longer useful you have to retreat. Government's participation in Heywoods was no longer useful and they retreated. That is what you have to do. You are taking it too far in this legislation.

Let me just wrap up, Sir, by saying these things and I reiterate that we need to know where the imaginary line stops and where it starts. I do not know where it is, so therefore I am taking the liberty to include anything in this imaginary line.

Aside.

Mr. PRESIDENT: Senator Lynch, are you on a point of order? If you are not, I should not be hearing you. 1.00 p.m.

SENATOR C. A. MASCOLL: I am saying that anything beyond the imaginary line will be affected by what happens within the imaginary line, and in that context all land and property on the periphery will see an improved value which will result in improved insurance costs, improved land and property taxes and increased overall costs in the short-term for these land owners. Whereas, although there might be an appreciation in the land and property for the owner, there will not be any significant benefit unless that owner disposes of the asset. Therefore, I have some serious reservations.

Of course, I spent some part of my presentation dealing with the narrow confines of renovation and refurbishment, only to be told that I was going down the wrong road, only to receive later in my speech an amendment which states clearly that you have to think in terms of not only refurbishing but the construction of new buildings. An afterthought. I am also told that there is consideration to include the Baxters Road area in the Special Development Areas. Another afterthought. I am not shamed neither will I be obstructed in my duty to promote the development of small, black poor people in Barbados, so anyone who seeks to assign himself with the large rich while embracing the small poor and sees no distinction does not understand the reality of life. In fact, it is because of the heterogeneity of life that we have what we have in life, competing forces which we need to examine in order to determine how we get optimum solutions.

Aside.

SENATOR C. A. MASCOLL: But if we were all homogeneous, why would there be life? If we were all at the same stage of development, why would there be life? Life becomes important only because there are differences and therefore to try to deny that differences exist in society is to deny the existence of a society. So to hear a Prime Minister or any other politician denying the existence of differences is perhaps the greatest misdeed that can be done to any debate in this society. We have to respect the differences. They exist.

Interest rates will be subsidised as a result of this legislation. People borrowing money will pay a low rate of interest in these Special Development Areas and therefore we are fooling ourselves again that it will be advantageous to have a society in which there is enfranchisement. When you make the cost of borrowing more than the cost of equity, you are encouraging borrowing. Therefore, my friends, it does not make sense to suggest that these Special Development Areas create opportunities for small black people while at the same time you are making it easier to borrow than to provide equity. This is contrary to the spirit of enfranchisement. Again, there is confusion across the philosophical landscape of this administration. This administration is as confused as you can get.

When it comes to corporation taxes, I have already said that small businesses have fought for years, and I think it is contained in the Barbados Labour Party's Manifesto, that they are quite prepared to give small business a lower corporation tax than the existing 45%, yet still we are almost maturing and this Government sees it not fit to give the small businessmen a 40% corporation tax, as promised in the Manifesto, but the Government is prepared to give businesses in these Special Development Areas a 30% corporation tax. That is amazing. It is absolutely amazing that we can make these distinctions and these differences when it is convenient but find it difficult to understand and to appreciate differences in terms of the social structure of Barbados. There will always be differences. Do not hide from them. When you try to embrace both, you can, but you have to respect that some are more vulnerable than others and take care of them.

Mr. PRESIDENT: To whom are you referring?

SENATOR C. A. MASCOLL: The Government, Sir.

Mr. PRESIDENT: Thank you.

SENATOR C. A. MASCOLL: I therefore have reservations in appreciating the extent to which this Bill is going to attract investment. I have reservations, because I think it will result in fairly undesirable circumstances developing in the future. There is going to be all kinds of friction as a result of this legislation. While I understand

the intent of creating investment, which is a *sine quo non* for job creation, I do not understand this full scale delivery of sweets and goods to these foreign investors. It is perhaps, and I repeat, the greatest piece of injustice done to the local business community when we can construct images of special development areas. Business does not have a colour. Money does not have a colour either. The notes do, but money does not have a colour. Business does not have a colour, business does not even have a space, as we are trying to define in here. Business has more to do with management and the human being, it is not just a physical thing, and you are confining business to something physical, to an area. It cannot work at that level. It is really about the development of the human being, the development of human capital alongside physical capital and this constitutes to me a serious error on the part of Government in pursuing the course of job creation in Barbados. It will not be job creating of the magnitude we suspect. It does not have the components to be highly job creating. It really does not have them, it has the same kind of old time approach where you hope that people get jobs at the lower than average wage and you hope that people will be given a token.

We are at a stage entering into the 21st century where there is time to look way beyond this kind of thinking. This is a 30-year step backward. It is time to move ahead.

I thank you, Sir.

SUSPENSION OF SITTING

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Sitting be suspended until 15 minutes after 2.00 p.m. today.

The question was put and resolved in the affirmative without division, and Mr. PRESIDENT suspended the Sitting accordingly.
1.10 p.m.

RESUMPTION

Mr. PRESIDENT: This Sitting is resumed.

SENATOR C. K. LAURIE: Mr. President, I rise to support this Bill. However, there are some concerns that I have, particularly in the area of the Scotland District which, of course, is mainly agricultural. The Scotland District is a fairly diversified area and it tends sometimes to get classified as one integral area. In actual fact, it consists of many ecological types within the Scotland area. Therefore, sometimes the Scotland District Act and the Soil Conservation Act tend to conflict slightly with types of land use in that area.

For instance, there seems to be a great reluctance on the part of successive governments to acquire land for housing in the Scotland area. If we only took 1% of the land in the Scotland area this would actually represent 160 acres and would give some 16 years of supply of land for housing. There are many areas in the Scotland District which are in housing at the present moment and are only strip developed along the actual main roads.

There is an area behind that facade of houses along the edge of the road which could be developed for further housing. And there are very stable areas within the Scotland area because it goes beyond Consett right up to the St. Philip's boundary and that is on solid rock, quite a bit of which is already developed. Still the Soil Conservation Act applies to that area. There are many areas, even in St. John and St. Joseph, which have outcroppings of rock which traditionally have been in houses and in villages and these could well be developed to provide further areas for housing instead of utilising the good agricultural land in the centre of the island.

I always felt that rather than take land - for instance, I was very much against this development in the Kingsland area for golf courses because that is flat, mechanisable, agricultural land which is not necessarily best for golf courses. In fact, golf course architects today take land that is flat and actually change the shape of it to make it more interesting. If one has walked the course at Westmoreland one would see that that land has been taken and transformed from flat agricultural land into rolling areas which are more suitable to golf.

The areas of the Scotland District on the other hand have a fantastic panoramic views where one could build golf courses in natural surroundings. It would be cheaper and it would have far more scenic areas than most parts of the island and the planting the land in grass for golf courses would be an excellent means of soil conservation and the runoff from that would hardly have any soil at all. Therefore, there are many reasons when we are looking to put land into golf courses that the Scotland District should be given a high priority and I am hoping that through this special development area in the Scotland District it would encourage people to go to that area to put in golf courses.

I see we have here an amendment which talks about the construction of new buildings and the renovation or refurbishment of existing buildings. I am sorry that this seems to have been looking...

SENATOR THE HON. R. R. FARLEY: On a point of order. The amendment is not as yet properly included in the Bill to be debated. It is proposed to move the amendment at the Committee stage of the Bill. So the Senator would want to be careful in terms of the context within which the amendment is raised. It is not officially part of the Bill as yet.

SENATOR C. K. LAURIE: Thank you for that information because that then means there is still time to add to this amendment here and now because I think that it is very important, this kind of purpose that is put in here, the construction of new buildings, and it is talking only about buildings. This is really specifically talking to the other areas. In the Scotland area we have land that has gone out of agriculture and to bring it back into agriculture which is what we would like to see done is going to require certain special things. In the Scotland area you cannot just plough land and leave it. You have to plough it on the contour. You have to establish areas with khus-khus grass in order to prevent erosion and you have to put in special kinds of drains, sometimes underground drains that will take the water off to prevent land slippage. Therefore, I would think that these kinds of expenses would be granted the same sort of concession that the renewal and refurbishment of buildings is done in the other parts. So if we could add to this amendment and include land shaping and land preparation for...

Mr. PRESIDENT: Senator, I am sorry that I have to interrupt you but no amendment is presently before this Honourable Chamber and discussion would be out of order until the matter is properly before the Senate.

SENATOR C. K. LAURIE: The other point that I would like to make is that I am a little worried about the implementation of this Special Development Area.

HIS HONOUR SENATOR C. L. BOLDEN: On a point of order, Mr. President, I am at a loss now. As I was saying at lunchtime. Something has broken down now. The whole structure and order of Parliament has broken down, because...

Mr. PRESIDENT: I must stop you, Senator.

HIS HONOUR SENATOR C. L. BOLDEN: You cannot stop me speaking. I am on a point of order. Well, I am speaking on a point of privilege then.

Mr. PRESIDENT: What is your point of privilege?

HIS HONOUR SENATOR C. L. BOLDEN: That if a document has been circulated which relates to something which is before the Chamber a Member dealing with that must be able to deal with what is circulated. When we move from here into Committee stage all we can deal with is the virtues of the Act which is before the Committee.

We are dealing with the principle of the Bill at this stage and once you have circulated that document it forms part and parcel of the principle before the Chamber. Therefore, a Member is entitled to comment on it. If it were not to be dealt with it had no right being circulated

at this point in time. If you circulate it, you intend that it be dealt with at this time because when you go into Committee stage you are going to move it in as an amendment and a member can only deal with the particular section of the Bill as it appears now with this amendment drawn in. He cannot speak on principle at that time.

Mr. PRESIDENT: My ruling is that it is out of order on the ground of anticipation. It was circulated without my knowledge and based on the submission of the Leader of the House, he was not aware that it was circulated either. So I have ruled that at the appropriate time any amendment can be made and it will be discussed at that time.

SENATOR C. K. LAURIE: Thank you, Mr. President, I would like to conclude by talking about the implementation of this Act. I have some concerns that it would be very difficult for the typical person in the Scotland District part of this Special Development Area to understand exactly the privileges that they will obtain under this Act. I would like that if we could somehow or other have some public education particularly, for the people in the Scotland District, that they can be made to understand how they can benefit. This is not just meant for people from outside the Scotland District coming in and investing in that area but it must affect the people living in the villages in that area.

2.25 p.m.

How can they benefit? This is not just meant for people from outside the Scotland District, coming in and investing in that area, but it must affect the people living in the villages in that area. How does it affect them? How can they benefit from it? Who do they go to register their needs and so on?

In other areas, there are sophisticated people. There would probably be large businesses and so on involved, but in the Scotland area we have an entirely different public, and I would like to think that Government will find some means of addressing their particular needs.

Thank you.

SENATOR Miss O. P. SYMMONDS: Mr. President this is a monumental piece of legislation, and as the Leader has said it is not only going to generate employment but also help to beautify the island. I wish specifically to speak about the Town Hall.

It has important childhood memories for me, and I am delighted to hear that it is going to be restored. It is an historic relic and anyone with aesthetic taste would not want Bridgetown to be just concrete and glass. Anyone can reproduce concrete and glass anywhere, but one can only produce this particular Town Hall in Barbados. Mr. President, the Town Hall grew naturally and would once

again grace Bridgetown naturally. If this is done, people will improve their neighbouring buildings. It would probably spread to others, for instance, Pelican Village as well and help to revive it. The Town Hall is a good focus, a beginning to raise the level of the whole area, and bring it in line with St. Mary's, which I understand is also going to get a face lift. If Senator Springer hears me err, I hope he will correct me. As far as I understand, St. Mary's used to be the parish church for Bridgetown, and it also used to be the site of St. Mary's school, which is the oldest primary school in the island, and the place where Samuel Jackman Prescod is buried. This whole area, Mr. President, could become even more attractive to tourists.

Then there is the Empire Theatre. I have mentioned that before in this Honourable Chamber and I think it needs repeating that there is need for a theatre of this size. Again, I have lovely memories of the Empire Theatre as a theatre and as a cinema. I think it was designed by Lady Gilbert Carter, and it was the venue for recitals by artistes of repute, both local and international. Frank Collymore, who is so well known, performed there with Greta Bancroft. I think of such plays as "The Man Who Came To Dinner" and "Arsenic and Old Lace," and the production and acting were of a very high standard. There was "High Time," by Mileswood who produced it and Joyce Stuart who danced. All this is part of history. There is a desperate need for a theatre of that size, especially for dance.

The Queen's Park Theatre has already been pointed out in the Other place, as being too small. It seats only about 260, and Sherbourne and the Gymnasium were not built for the performing arts. So that it will serve a much needed purpose.

I also understand that there are proposals to include Roebuck Street. There are some people here who may know that Roebuck Street at one time was a very thriving place, both for residential and commercial places. That too, if it is restored, could do much for business. At one time there were many shops there, and even a school. Again, this place can become bright and lively. So can Baxters Road, which again, people would know because that has been, even in more recent times, very thriving, and, therefore, I think that the Government deserves high praise for the conceptualising of these plans which will further help the economic and social progress of the island.

Thank you, Mr. President.

SENATOR Mrs. P. E. RICKINSON: I rise to support this Bill, but I also have just 1 or 2 questions to ask about the Special Development Areas. Firstly, I would like to commend the Government, in particular, I am bias because I was bread and born in Speightstown, for making attempts to develop Speightstown area.

Now Speightstown used to be very thriving, it used to be the hub of activity, and it is now a ghost town. With the reestablishment of a Jetty, because there was a Jetty there which was used for traffic from Bridgetown to Speightstown very often, by local people as well. We used to use it as well. In the evenings, especially on Friday and Saturday nights all the stores used to be open and that is the time when the young boys and girls used to dress and go window shopping, go into Speightstown and have what was then known as a "good time."

I sincerely hope that the development of the Marina, which I do approve of, and I think is long overdue. I do not see how one can have an island selling the sea and the sand without a proper Marina for the docking of ships where people can come, properly row their yachts and enjoy sailing. People who are willing to come all the way from Europe and stop at the various islands. If we do not have the facilities, then we would not be able to attract these people. They are people of wealth, even though some persons might feel that they would not bring a lot of employment, I think that there will be some amount of employment to be gained from working at the Marina and also servicing the homes of these persons who have invested in homes in Barbados.

What I like about the Act is that it makes provision for either the increase or the decrease of the Special Development Areas. I sincerely hope that this would be taken to heart if it is found that a certain areas which was thought to be necessary for development is no longer suitable. I sincerely hope that one would be big enough to come back and remove that as a development areas *et cetera*.

I join with Senator Laurie to ask for face-to-face education. I am not asking for it over the radio and television this time. I am asking that people go and meet the person face-to-face in Speightstown and other areas, and let them know the gains that they can make, the incentives that were previously available to those persons who received tax holidays in Barbados, but now have been made available to nationals as well. I would like someone, I am not sure who it would be, to go and meet with these people and let them know about the various incentives that are available to local persons.

2.35 p.m.

One question I need to ask, maybe I am asking it in ignorance, Mr. President, when I see the Scotland area, it seems as though this is a very large area. I have been calling for maps so I decided to bring my own map myself to see if I could find out exactly where this area traverses. It seems to be a very large area but it seems to include the

refuse dump. I have heard that it is in the Scotland area. I may be wrong. I am speaking subject to correction.

If the Scotland area is going to accommodate the Greenland dump, I wonder if one would not have to start thinking twice because personally, if I know that there is going to be a Greenland landfill, or dump, or what one cares to call it, I certainly would not put my money investing in that area. If this is going to become an investment area, one needs to look at what type of investment you need. Is it environmental investment in the disposal of refuse you are talking about? Or are you talking about tourism investment? One has to think very clearly about that.

While I am on that note about the Scotland area, I remember, I did not know before but I have done some research about this area. My parents are from the Scotland area. They still have their land in that area because I used to remember my father telling us the story that one morning he woke up and found half of the house down the road which means that some of the land in that area slides. Our family land is next to Greenland, within that area. I would like the Government to think carefully and do the necessary surveys and investigations regarding the areas that are likely to move in the Scotland area.

As I said, Mr. President, I may be talking in ignorance but when one speaks of the Scotland area, two things usually come to mind, the Agricultural Development Station that is growing trees and the land the Government is preventing from sliding in those areas, so one needs to clarify that in the public's mind. Now, this can be done over radio and television. You need to let us know what areas one is talking about. Where the landfill is going to be? Where it is not going to be? We also need to know if it is going to be downhill because, at the moment, they are finding it difficult to maintain the trucks on the flat road so I do not see how they are going to maintain them if they have to go down hill and come up hill. That is another area one needs to look at regarding siting a landfill in an area where access may or may not be so easy.

In Speightstown there is a building, I am not sure if the Leader of Government Business mentioned it, but it used to be the old Health Centre. Is that the building that is going to be preserved? That is a very old and historic building and it is well worth preserving.

Some of the verandahs in Speightstown that used to be overhanging have been removed and I would like to see if one could try and recreate the ambience of the town. It would do quite a lot regarding the development of the area because we are finding that the tourists, even though they have the all-inclusive offers, are also getting up going around and looking at buildings *et cetera* and trying to experience different types of landscapes. They love what

they call the gingerbread houses. I know a lot of us are trying to get away from chattel houses but quite a lot of people tend to like looking at those little, what are called, gingerbread houses because they are not seen elsewhere. They seem to be common to Barbados.

I do support the Carlisle Bay area. I would like to think that when one is developing like, for example, the Carlisle Bay and the other coastal areas, one would pay much attention to the pollution on the shore. I am not so sure if pollution is being taken care of like down Spring Garden with the sewage but what is happening, for example, some of the plants pour a lot of chemicals into the sea and the fishermen have told me that all the marine life is dead. There is no marine life there where there is that great Light and Power plant. Because of the various chemicals it is killing the reefs and if one could get somewhere around that, get them to, I do not know if they can filter the water or what can be done, but technology is so advanced that they should be able to do something to take some of those chemicals out of the water so that the marine life would return to the coastal areas because we do like to see the fishes and eat the fishes.

Mr. President, I am not really going to say anything more about it other than I support the development areas. We are not accustomed to these incentives and I would like to stress that the local people be informed that these things are available so that they are not just left to those persons with quite a lot of funds overseas.

Thank you, Mr. Speaker.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, I am sure we are all as adults here familiar with the concept and the principle of damming something with faint praise and praising something with faint dams. I would like to think that principle does not obtain where this measure is concerned because when all is seriously considered, this is one of the most exciting measures that has come to Barbados in a long time. It displays and stems from a tremendous amount of imagination, foresight and testing the waters and seeing what needs to get Barbados kicking again.

There is no such thing as perfect legislation, and 20/20 vision and hindsight are fantastic things once you can afford them after events. Therefore, it is very easy, and I expect it of my good friend Senator Mascoll to speculate, postulate and guess, and probe and come with all kinds of commutations and calibrations to try to minimize, trivialise and marginalise the significance and importance of this measure. But it will not work. It will not suffer the fate of the 5-4-3 plan, in other words. It is a measure which is rooted in common sense because it seeks to boost Barbados and gives some added incentives to develop Barbados in a way that has not been seen before.

I would like to ask Senator Mascoll that if he is so full of wisdom after the fact and foresight, and has so many misgivings about that, how come there was nothing of this ilk coming from his party in the last 45 years or so? Therefore, Sir, I think we need to get the discussion back on track and see this measure for what it is truly worth. 2.45 p.m.

It will be a mistake, Sir, to see this measure in isolation, standing alone, all by itself. There is a lot more to this measure and it has to be seen in the context of the Rural Development Commission. It has to be seen in the context of the proposed Urban Development Commission. As a matter of fact, Sir, to demonstrate that this is not some pie in the sky motion which came to us in the dead of night for some strange reason, our Manifesto on pages 28 and 29 makes reference to it. This is what it says, Sir.

"The Charter for Urban and Suburban Areas will focus on the provision of special opportunities targeted primarily at these two groups and on a number of urban renewal projects which will create employment now and in the future".

This was in September 1994. It is not something that was made up overnight or some hodge-podge measure to try to capture cheap popularity. There is a thread of consistency running throughout a number of measures. I made mention of the Rural Development Commission. I made mention of the Urban Development Commission and I also have to make mention of the fact that if you look at page 28 of the 1995 Budget Speech, Sir, there is mention of Special Development Areas so there is an historical thread attached to this development which cannot be pooh-poohed.

Only time will tell, Sir, if people seek to minimise the impact and the possibilities. All we are calling for is for people to shed themselves of the old shackles and let their imaginations soar, let their entrepreneurial spirits flow. I remember, Sir, that the same attitude that is being portrayed here by Senator Mascoll towards this measure is typical and traditional for the DLP. It is part of his party's history and culture. The same thing was said when we talked about developing Oistins. They made reference to Oistins along with our proposals for St. George as "a tale of two cities". That is how they described it in 1976, but look at Oistins today, a thriving mini metropolis that is every day becoming more and more important and generating more and more economic activity for their favourite people, Sir, the so-called poor black man.

So, Sir, although I detect an attempt to distance themselves from that concept and that philosophy after the tongue lashing that was given to it in another place and they now seek to shelve it for convenience sake. But, Sir, like I said, all we have to do is to be imaginative and take advantage of what we are offering and to get on board

because this legislation, Sir, offers hope and scope for areas which have great potential as well as great risk and therefore in order to deal with both the special facility and the special risks, special measures have to be taken because special circumstances deserve and require special measures and this is all we are seeking to do. There is nothing malevolent about this legislation. There is no intention as some people, are trying to establish, of wanting to deprive anybody of what was theirs and it is going to force people through some extrapolation, some great imagination to sell land easily. Bajans do not sell their land that easily. People know even when Government is seeking to acquire somebody's land for the wider social good, how very difficult it is and how long and protracted negotiations can be to get people to part with land for the good society. Bajans like to own a piece of "The Rock" so therefore this anxiety that they are seeking to generate about Barbadians being forced to sell off their lands because of the taxes they might have to pay through the improved value... When one takes it to its logical conclusion, I got the feeling that the Honourable Senator was practising a lecture for Cave Hill to be given at some future date where you can get and speculate and do all kinds of models to prove whatever you want to prove. But by the harsh reality of economic and social life in Barbados it does not wash at all.

It is very easy therefore to snipe and take guerilla pot shots at this measure but when it is all said and done, it is what separates the men from the boys in the political parties in Barbados. It is the measure which separates the Bees from the Dees because the attitude in this legislation, Sir, is in no way like what obtained in the posthumous St. John Development Plan which did not see the light of day.

This idea that the BLP through progressive measures is seeking to disenfranchise or deprive people of their opportunities and their worth happened when the Barbados Labour Party moved and set up a Development Board. They said we were going to give away the country to the white man. Sir, when we established the Tourist Board and took it out of the hands of the Barbados Publicity Committee and set up the Tourist Board as an institution to, in a more coordinated and more systematic and scientific way, develop Barbados' tourism we were accused of taking it from the poor man and giving it to the white man. When a previous Barbados Labour Party Government gave incentives and made it possible for Banks Brewery to come to Barbados the same thing was said and done.

I remember a previous DLP Government passing legislation to almost put Banks out of business although Banks has a lot of small man shareholding spread across the country, in order to get back at that BLP progressive measure, Banks Breweries almost went out of existence. That is some political history for you. I will give you some more political history, Senator Mascoll. This is all part of the political culture of Barbados. It happened when we

built the Deep Water Harbour. They said we were going to put the small man with the donkey cart and the truck out of business. They did not see what it meant, Sir, but the Deep Water Harbour has lived to transform Barbados in a way that his party has never yet imagined.

Therefore, Sir, I do not intend to be very long. I am just going to bring this thing back on track and show you that when all of this is said and done, that when all of this is seen in cohesion with all the other progressive measures that are being taken, that this is part of an overall grand scheme for the economic development of Barbados which will last longer than 5, 4 or 3 and will inure to the long-term development of Barbados, and create jobs.

Can you imagine, Sir, a Bridgetown which now goes to sleep at 5.30 on evenings being a thriving activity at night with shops, restaurants, all kinds of activity, and hopefully including the soon to be renovated Empire Theatre. We also can see similar things happening in Speightstown and I am glad that Senator Rickinson, as a product of Speightstown or a product of St. Peter, referred to Speightstown because the attitude of the Barbados Labour Party to all of Barbados is in contra-distinction to what was the attitude of the DLP towards Speightstown and St. Peter in particular. One of their greatest voices sought to create a mirror image of Speightstown which said "Boscobel is off the map and Black Bess behind God's back", so therefore there is nothing good to be done for Speightstown so much so that when the last Barbados Labour Party government went out of office in 1986, there was a plan on the Board, ready to go, to build a fishing harbour etc. in Speightstown and it was scrapped just because they wanted to maintain the attitude that "Boscobel was off the map and Black Bess was behind God's back". So this offers a new hope to Speightstown and to St. Peter.

It has already started to happen. It is generating activity never seen before, never imagined because of that attitude and it is going to benefit not only Speightstown or St. Peter, but all the people of the north, even St. Lucy. Imagine Speightstown with a re-established jetty that can handle certain sized craft and also imagine an airport in St. Lucy as some people would like to have it. What more could you want for the North? The North could almost declare itself independent from Barbados so this is all part of the development of the North, all part of the Development of Barbados and it is therefore my pleasure to give it my fullest support.

SENATOR THE VENERABLE ARCHDEACON J. L. SPRINGER: Mr. President, I did not intend to make a speech today but simply to register my vote in the affirmative but Senator Symmonds reminded me that the Church of which I am a member has a proud record and that I should say a few words at least to emphasise the fact

that we of the Anglican Church are supporting the plans for these special development areas. The First Schedule of the Soil Conservation Scotland District Act, Cap. 396 in the First Schedule lists a number of landmarks in what describes the Scotland District area and one notices mention of St. John's Church with which you are very familiar, Sir, and the fact that St. John's Church is one of the popular landmarks in the island when it comes to the tourist routes, and day by day within the tourist season there are visits to that church, and we are happy to provide that particular venue. There is also mention of the Codrington High School as a boundary and I wish that more was known of this school which is of Anglican foundation and which will be celebrating 80 years next year and I happen to be the Chairman of the Board of that school. I mention that to say that that too is in what I hope will be the new route when we focus the search light, so to speak, more on this part of the development in the Scotland District area. There is also Codrington College which is not mentioned but which itself is one of the important landmarks for this country.

2.55 p.m

Senator Symmonds mentioned St. Mary's Church and its school quite rightly as important historic landmarks and I am happy to note that St. Mary's Church will become a center of that area of the development in town. Traffic we are told will be redirected and we will continue to be able to worship perhaps with little less noise than in the past because the traffic will be rerouted in such a way. We are cooperating with Government in this regard. I must be a little selfish here and mention a particular interest in the Town Hall. The Town Hall was built by my wife's great uncle, Mr. F. C. Clairmont, who was the father of the Town Hall and we always felt that it should be restored and we are glad to note that this will be the case.

Beyond these developments and I do not want to go into all the others mentioned, I think there is a need for the plan of urban renewal for the City. For example, it seems to me to be doing the job halfway to develop the area around St. Mary's Church and the bus stand at Lower Green and to ignore the area at the back of it, Emmerton going back to New Orleans and the St. Leonard's Church. The whole of that area needs renewal and I hope that will soon be taken into consideration. For while the tomb of Samuel Jackman Prescod is in St. Mary's Church yard, the tomb of his family happens to be in St. Leonard's Church yard and at the time when we were observing the 100th year of his death both church yards were specially prepared and those graves illuminated. I think that once again we can focus attention on these things as part of the project.

Sir, I would like also to mention with regret that the St. George area which was part of the Anglican Church, Glebe, in which the Anglican Church entered into an arrangement with the Government between 1976 and 1986 to develop that area for the benefit of the people who were tenants on the Glebe, the church proudly donated the land

and Government's part was to provide the infrastructure. We continue to be a little disappointed that up to now this has not taken place. I think this particular area should be ahead of all other newer development areas. I know that the plan has not been jettisoned, so to speak, but it is not proceeding at the speed at which it should have done. There is for example an area earmarked right next to the playing field opposite the church for commercial development and a number of different ventures in which a number of farmers in the area could be involved but we still wait and nothing positive has happened there as yet. I would like to re-focus Government's attention on this area.

Sir, I will be supporting the Bill but when doing so I would not wish it to be thought that I am supporting the dump or landfill at Greenland in it, because I see this as something that really does not fit into an area where you need to keep the environment cleaned and the streets leading there not likely to be kept cleaned as they ought to be. We could tarnish our reputation in this way. That is the only dark spot that I see in this plan. I therefore will be supporting the Bill. Thank you.

SENATOR Miss J. C. ODLE: Thank you, Mr. President. I rise to give my fullest support to this Bill before us today and to just share a few little comments that sort of came to me and it is in reference to Schedule 2 where it talks about the purpose of this legislation. One of the reasons is the incentive for residential complexes in some of these special development areas. This will create an environment where people would want to live and for the younger ones who would want to work. But I can foresee some of these special development areas when I think of Lower Bay Street and Baxters Road, areas where you can live in comfort. I remember a few years ago I had the opportunity to visit someone who lives on Baxters Road upstairs over a shop and there was a wonderful apartment in the upstairs. If you drove along Baxters Road, you would have no idea that such a place could exist. I thought right away that this is fantastic because here you could be living and working in close proximity to town but yet in the comfort that you could be anywhere else. You could be on Fifth Avenue in New York because the apartment is so nicely appointed utilizing space to its absolute advantage. So I can see for those "yuppies" if I may use that term, Mr. President, these young urban professionals who would want to avoid the hassle of driving home into the country or further outside of Bridgetown. You would have the ability when we are able to capitalize somewhat on housing in this area. You could walk to work and I visualise particularly Lower Bay Street and even slightly further out. Right away you can see that you would avoid congestion in the city and obviously if you are going to have fewer cars in the city the environment is going to benefit from this. So young people could work close by to where they live. With the redevelopment and special development areas like this Bridgetown is going to take on a whole new look. It

means that as some of us get older we can go and shop knowing full well that you do not have to drive and go too far away from home.

Crime too will significantly be reduced because we know if a city is asleep at night every dark corner and dark hole is a little nest for people to get into misdeeds. But if the city is alive, as it will be, rejuvenated, under such a programme, people will be everywhere at all times early evening into the late evening as well. Mr. President, I can see this as being a distinct benefit to the City of Bridgetown and that deals with the young urban professionals. But most especially, Sir, I can see a significant benefit for seniors and this is an idea of creating investment incentives. I can see this as an ample opportunity for those who have the wherewithal to create housing for seniors.

3.05 p.m.

I can think of nothing more wonderful than to be a retired person, or a senior even if not retired, and living in an area like Lower Bay Street, where the Child Care Board Office used to be, and all by the jetty, converting that into some form – I am thinking of private investment here – of seniors' retirement. It would be beneficial, living in an area where you would be able to walk to Bethel Church, if you want to go to church there, or to the Cathedral. You see, you are serving many benefits. You are living close to many good things, including going to the rejuvenated and redone Empire Theatre. As Senator Symmonds and Senator Springer raised the types of activities that used to go on in the days bygone for which many seniors will still have great memory, they might be able to revisit some of those experiences, as I said before like going to the Empire Theatre, walking to church, whichever their preference may be, shopping on Broad Street ideally with no cars driving up and down, perhaps with the installation of some sort of transport, some way, somehow, I do not have a full answer for that. Mr. President, I could see that this would be a real benefit our seniors on the one hand and our young professionals on the other.

Mr. President, I have absolutely no problem with those few comments in supporting this legislation and to say, as Senator Murray has said, this is in our Manifesto, it is not anything that just dropped out of the sky. He quoted from page 28 already and I will not go back and quote it again, it is there for all of us who have and who ought to have a copy of our charter for change, your choice for change, our Manifesto.

Thank you, Mr. President.

SENATOR N. P. WELCH: Mr. President, I want to join this debate to offer my congratulations to Government for bringing to this Chamber this Special Developments Bill. I am particularly impressed because of the versatility

of the different areas of activity the Bill seeks to address. If we look at some of the objectives the Government is trying to pursue in bringing this legislation to this Chamber, we will probably get a better feel of the type of activities and the spinoffs that we as Barbadians can have as a result of this legislation, because Government seeks to encourage economic expansion, sustainable growth and enhanced employment opportunities. Nobody can deny that these are noble objectives. In addition to this, this legislation seeks to support the regeneration and redevelopment of the designated areas through capital spending programmes and special incentives to attract private sector investment, and I think this is important.

As the Honourable Leader of the Senate said earlier, similar approaches have been made by different systems of providing incentives, whether it be like industrial development strategy where people got tax exemptions for 10 years, nobody quarrels with that, that has been the basis on which Barbados' development has gone on for a number of years, since the 60s. But I want to take issue with Senator Mascoll who, as far as I am concerned, spoke everything but said nothing that would have any significant bearing on any new directions, any new ideas that would empower and enfranchise poor black people, the same people whom he seeks to speak so eloquently about, and I want to comment too on some, what I call, misgivings of his when he tried to develop the thesis that in the Speightstown area people do not have any spending power and therefore you cannot have any economic activity because there is no purchasing power.

If you look at the Scotland District area, we have a whole history built on the manufacture of clay tiles. There are few people living around there to contribute to any purchasing power, but you have export potential and you are looking at an entire building industry. If we are not so blind to recognise that within the same Scotland District area all the sand that virtually goes into the construction industry in this entire country comes from that area, but yet there are no small areas around the sand mines in the Scotland District to create purchasing power. Senator Mascoll, as a practising economist, should have been more cognisant of these facts and should recognise that these sorts of things provide incentives for activities that can be more export-oriented. I really wanted to make that point.

As far as the idea that the legislation should not only address the issue of existing buildings for renovations but should look at new buildings, I take that point to some extent. I have spoken earlier in this Chamber in another debate about the need for Government as a whole to provide some forms of incentives for the more than 380 buildings of historic interest listed throughout Barbados, of which we have lost about 35 or so in the last 15 years, which if we are to focus seriously on heritage tourism we must seek to restore. Senator Rickinson spoke

earlier about wanting to see the balconies, the verandahs in Speightstown preserved. It is in this type of legislation where these sorts of properties, like the Buckden House next door to Cotton Tower in St. Joseph, and other elegant, stately old properties that need to be restored can be done and further enrich the tourism product within Barbados.

I want also to take a look at the south coast situation where for a number of years there has been very little activity for tourists to become seriously involved in. Back in the 70s there was a golf course at Durants which provided some measure of recreation for tourists coming here, and I look forward to the time when the Durants area can be declared as a Special Development Area where the redevelopment of this golf course can take place to provide extra additional activities for the tourists who still frequent the south coast of Christ Church. If we tie that in seriously with the special development area of St. Lawrence Gap and the Graeme Hall Swamp, we can see that in Durants, St. Lawrence Gap and the Graeme Hall area we can have an upliftment of the South Coast Tourist product. In addition to this the creation of a new facilities for heritage based tourism and nature based tourism at Graeme Hall swamp where both the tourists and the residents of that area can benefit. I had the privilege, through the National Trust walks, to have a trek through the Graeme Hall Swamp and I was extremely impressed. It is the only remaining mangrove swamp in Barbados. There are species of fresh water fish that perhaps you can find nowhere else in Barbados, and in addition to this it is a wonder to sit there behind the Ministry of Agriculture on evenings and see the cattle egrets when they return to their base at Graeme Hall swamp after travelling the length and breadth of Barbados. This is extremely important.

Mr. President, I am one who believes that a commercial centre like Barbados where tourism is one of its major focus should have a City hotel. I see this special developments legislation leading perhaps to some type of investment where in the not too distant future we can see a significant development of a City hotel in Bridgetown. I understand from historians that Bridgetown had its share of City hotels before and I have no problem with a new City hotel.

Mr. President, a lot was said in here today about the poor black man and I do not really want to address that issue, but I would just like to ask the question: What prevents an ordinary Barbadian from going anywhere within these Special Development Areas and getting involved in whatever activity they are capable of getting involved in? I also want to state that one of the purposes of this piece of legislation – and I am saying this in response to a statement from Senator Mascoll when he looked at the Scotland area and was trying to build a case saying poor

people would not be able to afford the construction costs of building in that area because the clay soil does not provide a good foundation. That is the whole purpose of this Bill, Mr. President. It seeks to provide incentives through tax relief and other areas which can allow people to take advantage of these areas and to be able to go into areas like Scotland District and have reduced costs in achieving whatever activity they would seek to achieve in such areas. That is the sole purpose of this piece of legislation. It is on this basis, Mr. President, that I have absolutely no problem in recommending this Special Development Areas Bill to this Chamber. Thank you.

3.15 p.m.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, I had a good look at this Bill and I believe that the Bill is a little bit restrictive in operation. If we think about the rural development programme and the concept between that legislation whereby you are trying to move activities into the rural area and have fast development and you are removing the various red tapes that now surround development in the rural area, I think this Bill should have extended the borders or the length of demarcation further into the rural development areas because it would give incentive to those people who are living in those areas to develop their areas rather than try to move into the city.

You speak about the Scotland District and development in the Scotland District but while this may be the purpose and the wish and belief of the Government one of the things I note in the Bill is that any development must be subject to Town and Country Planning provisions and permission. I do well remember that there is an area of land on the East Coast which was owned by Mackie Symmonds' family and the Bank that was developed back in the 1970s, roads etc. were placed in that area. It is very close to the Kingsley Club which was mentioned here today but up to this day nobody has been given permission to put one building on that development because between the Town and Country Planning and the Soil Conservation authorities they have never been able to approve the sort of water disposal which they consider would be feasible in that particular area.

The Scotland development aspect of this Bill, to my mind, would be restricted by the wishes and the permission of the Soil Conservation Unit and the Town Planning. Therefore, one has got to look a little further and I go further. This is history. The Harrison Cave was developed by Government and even today there is concern about certain activities in the proximity of the Harrison Cave. I remember when I was a Minister of Government there was and there is still a house in the Welchman Hall area where the people keep sheep and pigs and it was alleged there was seepage from that area into the Cave.

So when I say that the borders of the development – and if you look at the Scotland District as set out in the Schedule to the Act, Senator Mascoll spoke about the boundary lines but the boundary lines are so drawn that development in certain rural areas would find difficulty in coming within the ambits of this provision and I would have thought that we would have extended the areas so that more people could benefit under this bearing in mind the several constraints which are now present with development in the Scotland District.

If you go across the East Coast Road I know from experience that a number of people have applied to put houses or businesses on the East Coast Road and they have been rejected. If you check the Town Planning Department there are numerous applications for development on the East Coast Road which have not been approved so I think that is a bit of constraint that I would ask that the Government take a careful look at and look at the Bill to see how best it can devise systems to draw them in.

We all tend to look at development in Bridgetown. Now I think we are running contrary to certain thoughts here because it has always been a question that too much development in the city always attracts persons from the rural areas to come into the city. You have to balance your development to such an extent that the development in rural areas would be such that persons living in those areas would seek to remain in those areas rather than come into the city because of the development which is going on in the city. You are going to find that if you check back you will see that in the Barbados Labour Party's last Administration we found that there was serious development going on between the Oistins area and then at one stage the Hotel Aids Act was amended to refuse to give incentives to people building between Oistins and Lower Carlton in order to force people further out into the rural areas both north and east. I think we should look at that and see what is going to happen.

The development of Speightstown – I have no problem against development. I want that to be understood clearly. But we must look at this Act in relation to previous Acts we have had on the Statute Book and see how they are going to conflict. That is why I say that we should look at the areas which we are going to grant these concessions to and seek to extend them in such a way that people in other areas can get involved in development because they are going to be a certain amount of restrictions particularly on the east coast of Barbados where we really need development to keep the people there.

Thank you, Mr. President.

SENATOR J. A. WORKMAN: Mr. President, I believe that today can be for us a significant time in the history of our country as we debate this Special Development Areas Bill. I believe it can be of significance

because I do not look at the legislation as a set of rules to be followed but I see legislation as a tool for our moral and social development and change, as a tool for personal, national and economic development, as a tool for redemption and reconstruction as we seek to retrieve some of what has been lost through the lethargy and impotence, inattention, and the lack of imagination on the part of men and women, organisations and institutions of our nation, including but not limited to politicians, statesmen, churchmen and social reformers.

3.25 p.m.

To some extent, Mr. President, we have consistently and persistently, and, maybe, even insistently, ignored what I call the "labour pains" and the cries of the economic foetuses and the social foetuses which have resulted in many "still births" in our country.

Today, even in the midst of the dust and the cries of the social and economic despair, we can and should find the womb from which social and economic life can spring forth and grow, blossom and bear fruit. Fruit which can remain and which can be shared by all and sundry of this nation, as well as by those non-nationals who come to our shores to invest and to enjoy the protection and rights and our Constitution and laws.

I do not think that we can properly understand the full extent of this Bill unless we see it in our Barbadian context – the context of our society and the context of our economy. I believe, Mr. President, that to some extent our economy and our society can compare with the ancient city of Ephesus. Geographically, Ephesus was, like Barbados, well positioned as a port of transshipment and good communication for the rest of the then known world. Ephesus was not as distinguished as Barbados, similarly is, for its export trade, but was a resort for the foreigners who came there to enjoy the festivals, pleasures and the music of the people there. The people of Ephesus were like Barbadians, amiable people. They loved their music and dancing, and like many of us Barbadians they spent much of their money on things which were of a wasting nature. I believe, Mr. President, that it was at that time that the good news of the gospel was brought to them and they used the opportunity to turn away from those things which were wasteful and to live lives which were productive. I think that this Bill, Mr. President, gives us opportunity in Barbados to put aside those years of wastage.

I think that it is an opportunity for us to teach the people of Barbados that their money must be well spent, and that money well spent is not money put in motor cars, where we can have \$18 million spent in motor cars in a few months in this year, but that money when channelled

into proper investment, the type of investment which the Special Development Area affords and invites, will grow and grow, and that they, themselves, will personally grow, the economy of the country will grow and the national stability will return to us in this nation. So, we should look at this as a national concept, rather than parochially or politically.

The Bill, Mr. President, has chosen four geographically strategic areas of Barbados for development. Geographically strategic because, first of all they have chosen our number one city and its outskirts on the south west. They have chosen the number 2 city and its outskirts on the north west, they have chosen the St. Lawrence Gap area on the south, and the Scotland area which extends from the east to north east.

In those areas we will find varying forms of development which can be brought to bear upon the landscape and to change the economic stability there, and to change the opportunities for men and women, young people and retired people who reside there.

We in this country have been accustomed to our citizens flocking from all parts of Barbados to Bridgetown and say, "we have gone to work." The time has come when we must have other development and substantial development in other parts of Barbados, so that those "outer areas" of Barbados, for there are no "outer areas" now with the new highway. A journey, which once took an hour to get from the south to the north to preach, takes me now half an hour with absolute comfort.

Mr. President, in these "outer areas" we need to have sustainable development by the people who live there and who will work there, and who will see that their efforts and their ideas, when put into action, will ensure for our benefit and the benefit of others to come.

It is necessary for us, Mr. President, to teach our people that human and economic development go hand in hand, but never equal. We will never ever have a society any part of this world where everything is equal. These are facts which must be faced. There has been a lot of what I call, "cheap political talk" about the poor black man. What we have done, Mr. President, those who have been spouting that this place and the Other Place are doing nothing more than widening the divide in this country. None of them, and I say none of them, have said to these poor black people who they say they represent what is the way forward. They have kept them in mental enslavement, and what this Act and what other pieces of legislation tend to do is to bring them out of that mental enslavement first and foremost.

Asides.

SENATOR J. A. WORKMAN: Until we in this country bring our people, whether black or white, yellow, other colours, or mullato, out of their mental enslavement and show them that they have within them ability, and show them the way to use that ability and to transform that ability into productivity we will be back in the 1930s.

Asides.

SENATOR J. A. WORKMAN: What I am saying, Mr. President, is that we will always have differences but we must not have distinctions. Therefore, we must look at the legislation and see if the legislation prohibits any individual from having opportunity to be a partaker in the development which is offered.

Now that is theory, as some will say. Let us be practical about it. To be practical, Mr. President, it is a fact that generally speaking black people in this country do not have money. It is a fact. We have to face the facts of life. We must never fear the challenge which presents itself. We must find ways and means of surmounting the challenge. When we do not find ways and means of surmounting the challenge, we have problems. We will have these practical problems, but the people who are involved in the development and investment in terms of this Bill are people who have money or people who have access to money.

Those people in Barbados who have access to money are men and women who over the years, through blood, sweat and tears have worked to have a nest egg, to have an investment, to have a property which they can take to a bank or the lending institutions as their collateral to take a step further forward. These things do not, as politicians want people to understand, come overnight and this is what we need to tell the people of Barbados point blank. That you have to start and then build on what you have. When we have proper human development, we will have proper economic and other development, but our people are yet enslaved mentally and need to be freed from that.

This, Mr. President, is an opportunity for returning nationals to be involved in the development process. I say this because sometime around April, I was on the beach and I met a couple who were planning to return to Barbados in about 2 years' time. They said to me that they would bring a minimum of U.S. \$400,000 in cash with them. Cash in the bank just getting a small investment is a waste of time. What I am saying, Mr. President, it is people like these returning nationals, and they are black, who can bring to bear on

our landscape development in the hands of blacks which we have never had before. If you think white and your skin is black, you are white, I suppose, but they can bring this type of investment to bear on the landscape.

3.35 p.m.

What we need to do is to go a step further and tell our people that they must not be like a Rasta, "I and I", but that there is need for us to be able to join hands. The problem is that if Senator Farley were to come here with me now and pull against me we will achieve nothing. We will be at a standstill but if we can join arm in arm and move in the same direction, unity of people and unity of purpose, we will achieve. These are the things we need to teach our people.

Mr. President, as we look to the Bill, there are one or two little things I would like to comment on. In clause 3 the Bill gives the Minister authority to prescribe the boundaries of the special development areas. I would have hoped that those boundaries would have been specifically defined in the Act rather than by order from time to time for the sake of transparency of Government. I am not trying to say anything against the character of anyone in the present Government but, Mr. President, I think for us at this time and for future generations to come, it would have been good if the boundaries were specifically defined as the Scotland area is defined so that upfront everybody would know, and we would have no one talking about imaginary lines, even though we know that there is an imaginary line called the equator, and we know where the equator is.

The other comment I would like to make on the Bill, Mr. President, is in the Second Schedule. I do not think the diversified activities mentioned there go far enough to give the optimum opportunity for the type of development which the Scotland area will require. I think, Mr. President, those areas of activity should be looked at hurriedly to give those who own property in the Scotland area, and who would like to be engaged in development in the Scotland area, an opportunity to benefit under this Act from the types of projects and development which might be able to be carried out there.

In the Third Schedule, Mr. President, clause 1, the exemptions, I believe that the draughtsmen could have been a little tidier by simply saying Value Added Tax on inputs, *et cetera*, for improvement works since improvement works is defined under the Act to include the construction of new buildings, renovations, and so forth. I think if that is tidied up it would go a great way in improving this Bill as a law of this country.

Then under clause 3 of the Third Schedule, Land Tax on the improved value of land, I believe that people have overlooked the significance of that exemption. Very often

when we look at exemptions we think of benefits accruing to an individual but this is what I call a negative pregnant because while it seems to be negative to some persons it is full of meaning and full of purpose.

Improved value has a specific meaning under the Land Tax Act and the meaning there is when you put something on the land. To put it in a good Barbadian context, when you build something on the land. It does not mean that because you have a piece of land here and some other development is done over there the value of your land increases. Improved value means the value of land plus building on it. Therefore, what the legislation is doing here is forcing people who have land in special development areas to get involved in development in order to get the benefit of the tax concessions which are offered.

This provision of the Bill is an incentive toward full utilisation of the land where we can have development of the nature listed in the Second Schedule to improve the economy of the country.

So, Mr. President, I see the legislation as social and economic reformation. I again say that social and economic reform will never be equal but that amidst our differences, and in spite of and because of our differences, we should be motivated to move forward and to improve ourselves and improve our community and make Barbados a better place for us and generations yet unborn.

I support the Bill before us.

SENATOR Mrs. A. P. THOMPSON: Mr. President, I would like to make a brief intervention here as we debate this Bill. I am not ashamed neither am I afraid to be the voice of the small black man in Barbados and there will never be enough voices in Barbados to stop me doing so because I consider myself to be still very much a small black person in this country. No matter where the voice is coming from the highest peak, it will never deter me. I shall continue to speak on behalf of the small, poor black man in Barbados. In that context I say that this particular piece of legislation before us does not intend to empower that category of person.

I have looked at it in very great detail. I recognise there are incentives for developers. There are incentives for investors and we have stayed here this afternoon and accepted that small people in Barbados do not have the money to do this and the money to do that. But a Government which has come into office on a charter for change must find creative ways of empowering those individuals.

Mr. President, I have great difficulties with the boundaries which do not exist for the special development areas. I have great difficulties because as I listen to

each speaker on the Government side, I continue to see these areas widening. I heard a description of the Carlisle Bay area very early in the debate, not necessarily in this House, in the other House, and each time I listen I can hear that this area is widening and widening. I am hearing all kinds of fancy dreams, of pretty streets, beautiful buildings, dancing halls and all kinds of things. Tell me, where in all these fancy dreams will the small people benefit? We said that we were not going to have a Barbados for employees only.

3.45 p.m.

And this Government of Barbados set economic empowerment at the centre, it said, of its programme for change. I will make my points in here and nobody will stop me. There is nothing in this particular piece of legislation which seeks to do so. Yes we have identified areas for special development and yes we are giving tax concessions even on land tax. The land taxes that we ran down the small people all over Barbados for. People who have already paid their taxes had to pay them again foolishly. Of course I am one of those who did not pay again. These are the people on whose backs you, the Government, went out there and got a Government.

I understand that overnight people cannot become rich. Nobody can teach me that because I advise on finance so I would know that. I know that the only way you can get wealth is if you inherit it, if you win money, if you steal it, or if you sit and plan to acquire it. So nobody has to come in and tell me that. I do it for a living so therefore I know. I think therefore that any Government which is serious about economically empowering people and is bringing this kind of legislation would have first started on a proper outreach programme.

The credit union movement in this country are the trustees for millions of dollars of ordinary Barbadians. I know that as individuals, poor black people cannot be a part of this, but I know collectively by way their funds, the Credit Union movement they can become owners in these so-called special development areas.

Mr. PRESIDENT: Please let the Senator be heard.

SENATOR Mrs. A. P. THOMPSON: I know that a Government that is interested in making sure that the largest percentage of its citizens – because only 10% of the population of this country owns all the wealth, and a Government that wants to make sure that the other 90% can fully participate would embark on such a programme so I do not think that we should be bringing legislation and then by the way saying this person can come in and be a part of it and the next person should come in and be a part of it. We should have communicated with them up front. They should have been told that Government has plans to introduce a Special Development Areas Bill and that

Government would like to see them get involved and become a part of it.

You have given the other people the opportunity to step in first, ahead of them. At the end of the day they would get the tail... Let us not fool ourselves about it. We are already aware that people have been earmarked. I heard, I believe it is the Leader of Government Business...

I heard in here that there are individuals or corporations already earmarked for these special developments.

SENATOR THE HON. R. R. FARLEY: On a point of order, Mr. President, the Honourable Member is misleading the House. I said no such thing. What I indicated was that in relation to the tourism development programme there were others and that this Special Development Areas Bill would have been a boost to that and there were other projects in the wider Bridgetown area, for example, which are already in progress. Obviously no one could have made application or have been earmarked for any provisions for legislation that has not been approved by this Honourable Chamber.

SENATOR Mrs. A. P. THOMPSON: I listen, I watch television and I heard it, I heard it that they were there waiting on the legislation.

SENATOR THE HON. R. R. FARLEY: On a point of order, Mr. President, the Honourable Member indicated that she heard the Leader of Government Business indicate and then she proceeded consequent on my point of order to indicate that she watched television and I have not been on television discussing special development zones. I would want her to withdraw comments attributed to the Honourable Leader of this Senate.

Mr. PRESIDENT: Yes, I heard you refer to the Leader of this Senate. I think you should make it clear that it was not a reference to anything said in this Chamber.

SENATOR Mrs. A. P. THOMPSON: Mr. President, it has already been stated by the Government of Barbados that there are individual businesses, corporations or whoever awaiting this legislation, that they are already there just anxiously awaiting this legislation.

Mr. PRESIDENT: Senator, I am asking you to withdraw the statement in reference to the Leader of the Senate.

SENATOR Mrs. A. P. THOMPSON: I withdraw the statement, Mr. President.

SENATOR THE HON. R. R. FARLEY: Mr. President, I hate to rise again but just for further

clarification, the Honourable Member also indicated that there were persons who were earmarked for concessions under this legislation. The point was made that there are persons who are waiting to apply but to suggest that prior to the passage of legislation before the Parliament of Barbados, that there are persons who have been earmarked for concessions consequent on that would be to imply improper motives to the Government and a lack of transparency in process and I want to ask that that particular suggestion that there are persons who were earmarked that the Honourable Member be asked to withdraw that.

Mr. PRESIDENT: I will give the Senator an opportunity to explain exactly what she meant. In other words, the sense in which she used the words to remove the objection.

SENATOR Mrs. A. P. THOMPSON: Mr. President, I have been following this whole discussion on this Special Development Areas Bill and there is no doubt in my mind based on statements made that there are investors who have already indicated an interest in this area.

Asides.

SENATOR Mrs. A. P. THOMPSON: Mr. President, I will not be derailed. Can I proceed?

Mr. PRESIDENT: Please proceed.

SENATOR Mrs. A. P. THOMPSON: Thank you. This is a very political piece of legislation. As I look at the areas identified I can see the strengthening of certain political representatives. The area of the City, the Deputy Prime Minister, the area of St. Peter, the Prime Minister. As we reach into the Scotland District, that is also a part of St. Peter, and then as we look into the St. Lawrence, Christ Church area the area of a former Prime Minister, Sir. I look at it, I search, I try to find out how in this legislation can other people in Barbados benefit. Other than being employees how can other people in Barbados benefit from this legislation? I am hearing how progressive it is. I do not see the incentives in here for other Barbadians who do not own the wealth in this country to become a part of this special development programme.

Aside.

SENATOR Mrs. A. P. THOMPSON: They are talking about small businesses becoming a part of this whole programme. I have to support Senator Clyde Mascoll on this one. There are small businesses out there crying out for a reduction in their corporation tax. We have been modelling ourselves after the legislation of a number of other jurisdictions and in Canada, one of the jurisdictions we have been modelling ourselves after so much, corporation tax for small businesses is 20% and 38% for

other businesses. In Barbados we have 40% corporation tax across the board. I think that it is high time if we are really interested in developing small businesses in Barbados I would call for a reduction in corporation tax for small businesses.

3.55 p.m.

I think in the same way that we can give all of these incentives out to those individuals who have so much wealth, because in order to get into these special development areas and do what is expected in these areas you have to have wealth. Let us admit it. The Bay Street area - I still wonder how far this Carlisle Bay area stretches. I heard of Needhams Point down to Bridgetown. I do not know how far upward it stretches. I am thinking of a straight line. But on Bay Street alone there are buildings in excess of 100 years old in that area. I am not supporting the Special Development Areas Bill but we are in the minority in this Senate. Therefore, I know that it will pass. I am therefore saying, Sir, that should this area on Bay Street be redeveloped that the Government would be wise to make sure that those buildings on Bay Street which have such beautiful architectural features would be retained and those individuals who intend to develop that area should try to keep the feature of Bay Street. There are over-hanging verandas that Senator Rickinson talked about and it will be almost impossible for the kind of traffic we have in Bridgetown to move around on Bay Street with those overhanging patios. I think that the road should be made for one way traffic. Maybe at different points of the day the direction will change. But if we are going to be selling out Bay Street, then I think we should make sure that those individuals...

SENATOR THE HON. G. S. H. MURRAY: Mr. President, on a point of order. The Honourable Senator is once again misleading the Chamber and misinterpreting the Government's motives. There is no intention to sell Government's property to anybody. So we cannot be accused of selling out Bay Street and that is what the legislation says.

SENATOR Mrs. A. P. THOMPSON: Mr. President, I do not know why the Government Senators want me to use their language. If the buildings on Bay Street are going on sale, on lease, on gift or whatever, I would like to think that those individuals who would become the future owners of those buildings will seek to retain that beauty which presently exists on Bay Street.

Mr. President, what I do not understand about this legislation is that this development is going to take some time. We are talking about the creation of jobs in Barbados or the creation of employment in Barbados. In any massive plan on behalf of the Government you should have some reasonable projection of the number of jobs that you anticipate will be created. Because I believe the

Government has some idea about the sums of money it will be giving away in terms of incentives. I think that in order for this legislation to be of any meaning to ordinary Barbadians that Government should be able to give them some hope that they can at least anticipate the number of jobs to be realized from such a sizable project. We have been told that it is a sizable project so we would want to know how many Barbadians do you hope to employ in the Carlisle Bay Development, the Speightstown area, the Scotland District and the St. Lawrence area? Unless we can get that kind of information, to me this means nothing to the man in the street. I have to be very honest and I cannot stand here and talk and talk because other people want me to say things. At the end of the day I must represent some cause.

My understanding, Mr. President, of economic empowerment is that a Government recognizing that a very large percentage of its populous remain at their mercy from time to time would embark on policies and programmes to make sure that within a reasonable time that a very large percentage of the population can participate. I agree that people will participate at different levels because they have different means, but I believe that in this legislation there is nothing which offers that very large percentage of Barbadians still on the outside looking in on opportunity to own. I am talking about ownership. There are Barbadians out there who will be quite prepared to put their house up, get a mortgage and use their house as collateral. But I do not think that they believe that this is for them. I do not believe that this legislation has been marketed in the type of way that Barbadians who are not regular or natural investors can feel a part of this. On a day-to-day basis we must seek to educate our fellow Barbadians. I really have difficulty with legislation which when passed in the House it appears to be for those people in the House of Assembly. We are not doing anything to make sure that other Barbadians can be keen on this. We fool ourselves and you want to see how we fool ourselves. There is a lot of talk in Barbados about mutual funds and all kinds of financial instruments and we have not put any programmes in place to make sure that our people can become very conscious and aware that they can participate. There is a small percentage of those who have and those who are in a position to have through the beneficiaries of this kind of legislation.

Mr. President, there is nothing in this legislation as I see it for that very large percentage of Barbadians who should be participating in the ownership. Do you know something about this? At the end of the day these are large areas in this country and this is ownership that will be going into the hands of maybe the same few. That is my concern about this legislation that these developers and investors, since we have admitted that ordinary Barbadians do not have money and at a time when we are opening up all of these areas for ownership, that these areas can come

back in the hands of the same people who have owned all of the rest of Barbados all the time. So nothing would have changed in the direction of the others. This is a large chunk of Barbados although I have not seen the map. But I have been told how big the Scotland District is. I do not know how far outward this area stretches so I am only seeing the Bay Street on one side. I do not know how it affects the other side of Bay Street. In the Speightstown area, this is a lot of Barbados we are talking about. If we are seeking to put ownership in the hands of people, then we should make sure that a larger percentage of our population can participate.

Again I say, Mr. President, I have no difficulty in speaking on behalf of my roots and those who want to silence me will really have to find a good way of doing so. I represent the small black poor people of Barbados and I will continue to speak on their behalf in this House, in the trenches, in the streets, and in and out of Barbados.

Mr. PRESIDENT: Senator, you seem to be suggesting that somebody is trying to silence you. That is not the case. 4.05 p.m.

SENATOR T. E. BARKER: Mr. President, I rise to support this Bill because in doing so I am conscious of the fact that we need to develop our tourist plan and we have decided that the areas for expansion would be the Bay Street area, Speightstown, the scenic Scotland District and the St. Lawrence Gap.

Sir, it is a fact that 1/3 of the people who visit Barbados on cruise ships never leave the ships. Hence we are not getting the large amount of spin-off we would hope from the cruise ship industry. In other words, we have to have facilities in Barbados to cause these persons to want to leave the ship to come and visit our facilities. That is a must.

We also have to encourage our long stay visitors to spend more money within the country because there is no sense having people coming here spending a week unless they spend money on tours, restaurants, night club facilities and so on. We have to be constantly upgrading and expanding our physical plant in order to make full use of the tourists that visit us both in terms of cruise tourists as well as long stay. Therefore, in the Budget of 1995 the first Budget that this Government has presented to the people of Barbados it was mentioned that there would be special legislation to encourage and facilitate development in the designated areas.

Sir, I am told that the beach in that Carlisle Bay area is of recent origin. Maybe in the last 10 to 20 years that beach developed. Even before we left office in 1986 we recognised the importance of the Carlisle Bay area and there were elaborate plans drawn up at that time for

the future development of Carlisle Bay because we saw it as integral to the whole tourism development that we were looking for. So this is nothing new; but it is interesting that in the 8 years that Senator Mascoll and his party were in power – I say Senator Mascoll because he was the economic advisor to the Government so I bring him in not as peripheral to but as being part and parcel of what went on in those 8 years. He was advisor to them from the lofty towers of the Central Bank building, refusing to work in the lowly offices at Bay Street but decided he must be on top of the situation in the twin towers. He was up there advising the Government and one would have thought that in those 8 years he would have advised them on ways to improve the small black man that he now wants us to believe he is so interested in.

Sir, what has he done in the 8 years. We must not believe that he has just been reinvented. He was here with them all along advising Government. He was an advisor and what has he advised them? He advised them to cut the wages of the same poor black man. That was his advice. He advised them to sell BET shares for less than the market value and BARTEL shares and the Flour Mill shares. He advised them to sell Heywoods, not to the small black man. Heywoods was sold to the biggest corporation in the land and a few years after it was sold, recently, we have reports of the extent to which Government sold the property for less than its true value.

Sir, he advised them to give our concession to Westmoreland and, as I understand it, Sir, no small black man owns Westmoreland, not even a Bajan owns Westmoreland. But he advised them because he was their advisor and he advised them to give all the concessions to Westmoreland and now he is talking, now that we see a lovely beach there in Carlisle Bay that is ripe for development; now that we see on that beach there are activities which 20-30 years ago made sense but now doesn't make sense because you are taking lovely beach land and having a car dealership selling cement. So we are seeing the economic potential of the Carlisle Bay area and we believe that we have to put special incentives in place to encourage development in that area.

Sir, the last Government of which the Senator was advisor, chief cook and bottle washer, realised the importance of getting more out of the cruise dollar so he advised them to have a cruise terminal at the Port. Sir, listen to the small black men who own it.

Mr. PRESIDENT: Senator, need you be so personal? Stick to the issues, please.

SENATOR T. E. BARKER: Sorry, Sir, I should have said the small black companies rather than persons. I am not sure that Cave Shepherd is a small black company, nor Goddards, nor Colombian Emeralds. But they are the ones who the Honourable Senator advised the Government to

empower and to enfranchise by giving out all the concessions in the Port area. The head tax which should be going to develop the Port US\$2 of that went to the "small black people" that the Honourable Senator had advised the Government to enfranchise.

Sir, when he is talking he reminds me of the voice of Jacob and the hands of Esau. His words and his deeds do not walk step in step. He should be ashamed when he gets in here after advising Government in the 8 years to destroy the whole aspirations of the same small black man and now that we are trying to put in place a scheme to develop this country where everybody can make decisions we believe they should be advising the small black man that he says he is speaking on behalf of to own a house, why not see if they cannot borrow \$10 000 or \$20 000 and a few people get together and share resources and go and tell Government that they want to rent the Child Care building or something like that. But no, he is saying there is nothing in that for them.

Sir, it reminds me that about 25 years ago a few small black fellows – Sir, you would know them well – got together and pooled their resources and started something small. They had difficulties and problems but they got together and stuck through it and today they form one of the most successful corporations in the land and the owners of this corporation are "small black people".
4.15 p.m.

Sir, to me that is a testimony to what can be achieved if we stop this foolish talk, this puerile talk, and encourage our people. Do not forget, Sir, that some of our people have access to funds. Anybody who knows about banks knows that some people who you may consider to be small have access to funds. We should be encouraging them to come together and pool their resources and take advantage of the opportunity that this Government is presenting to them.

This Government cannot go out there and monopolise Barbados and say that this is for you and that is for you. We can and we will be putting the opportunities there. It is up to our people, Sir, to make use of the opportunities that are presented. I think that it was Senator Workman who said that we have to get away from this mental slavery.

We see the perpetuating of this same system here today. Anything that comes up, the Opposition, because they have very little to say, has one theme. I want to tell our people, Sir, that they must look at the opportunities that are there and take full advantage of them.

Sir, when we were last in Government between 1976/86 we did two things which were designed to put in place measures to assist the development of poor black people. One, Sir, was the establishment of the Barbados

National Bank. The creation of the Barbados National Bank, was intended, Sir, to be a step in that whole direction where the small black people have our savings in the commercial banks. A lot of savings in the commercial banks.

We have set up in 1976 the mechanism where, yes, the savings that you have are now controlled by yourselves, so to speak, and you can use that as a vehicle to ensure that funds are there for people who otherwise would not have access to the commercial banks in order to put in train the movement towards economic enfranchisement.

What did we hear from the Opposition at that time? The Leader called it a "piggy bank." That is a fact.

Mr. PRESIDENT: Senator Barker, you are not now dealing with Special Development Areas. In other words, a lot of what you are saying seems to me to be irrelevant.

SENATOR T. E. BARKER: With all due respect, Sir, I am talking about the access to capital. I just want to alert Senators to the fact...

Mr. PRESIDENT: Yes, but the debate is about Special Development Areas.

SENATOR T. E. BARKER: Sir, I stand by your guidance.

I just want to make the point, Sir, that the creation of the bank plus the creation of the Credit Unions, means that small businesses can pool together their resources and are now in a position where they can take advantage of the special incentives.

Sir, I heard other Senators mentioned the Credit Unions, and they are important in this regard. They are now becoming an important financial force in this country. I am told, Sir, that they have savings of over \$100 million, and they can use that savings now to invest in these Special Development Areas and so move forward the process of economic enfranchisement and economic empowerment. I think that they are important to this whole process, and the Barbados Labour Party must take credit for the wisdom in the 1980s of putting in place measures which saw the vast improvement in the credit union sector.

Sir, if you look at it carefully, we will see that we are now moving into a lot of real estate. In Bridgetown itself, they are now becoming significant real estate owners. I see this as an area they can look into. On behalf of their depositors and members they can move in a big way and ensure that the people of Barbados have a stake in what is going on in this country. That, Sir, is very important.

This party to which I have the honour to be a member, in the 1980s also put in place measures for poor black people to own land in Barbados. That is very important. We tried to be inclusive. The Tenancies Freehold Purchase Act was another example. Sir, I do not want to move too far from the special developments.

Sir, I just want to look briefly at the objectives of this Government with regards to this special legislation. We have to make sure that we move away from the rhetoric and look at the substance of the Act. The objectives are basically, that Government want to encourage economic expansion, economic growth and to provide opportunities for employment, because the last Government left us 30 000 people that we yet have to find jobs for. I must indicate that we managed to bring it down by over 8 000 and we are working hard to make a further dent in it. So that remains, Sir, at the top of our economic agenda.

Not only that, Sir, we know that we have to put in place plans for the regeneration and the development of, especially the Carlisle Bay area. Speightstown also, a city which was thriving some years ago, but in recent years has fallen into problems. Sir, I must spend a little time on Speightstown because the last Government, when they came into office in 1986, there were plans they financed by the European Development Fund for the establishment of a fish market in Speightstown. Senator Mascoll's party, of which he was the advisor to that party, stopped that development. Sir, I do not know what the reason was, but they probably felt that the people of St. Peter did not deserve that sort of development and they stopped it. The funds were there. All the design work was done and they stopped it.

Sir, as a result of the inactivity in Speightstown, the second largest town in Barbados, what we saw there was a general decline in activity in Speightstown. We believe that we have to put in place programmes for the regeneration and the redevelopment of these areas of which Speightstown forms an integral part. Therefore we have to create an environment especially in our major towns where people would want, not only to work, but to live.

Sir, we are setting the lead by putting some modern housing in Bridgetown, in the Pondsides area where some houses were built, and we want to start the second phase of the Pondsides Development. Sir, we believe that there has to be an improvement in housing in Bridgetown. We see as part of the Special Development Areas legislation, the need to ensure that good housing returns to Bridgetown.

I am told that years ago, all the plantation owners had places like Country Road and Roebuck Street. They were well kept residential areas, but over the years we see that Bridgetown has become somewhat dilapidated in terms of its housing infrastructure.

This legislation seeks to create an environment for which its people can, not only live, but also work. We also have to make sure that development takes place in an area where there is already some existing infrastructure. That is also important.

4.25 p.m.

That is why, Sir, we are concentrating on the development in the Carlisle Bay area, Speightstown area and St. Lawrence to take advantage of any infrastructural work. That, basically Sir, is the objective of Government in seeking to designate these areas as special development areas. It forms part of an overall plan by Government to ensure that development takes place in the area that Government wants it to take place in terms of the long-term plans the Government has for the country. It must be seen in that wider context.

Sir, what are some of the activities we want to promote within these areas? I will just go through them. One is the residential complexes. We want to give concessions that people can construct even some up-market housing within Bridgetown because in most major cities some of the best houses are in the inner city. Some are in the inner parts of London, New York, and those places. We have some of the most expensive real estate. In Bridgetown over the years, because of the neglect of Bridgetown, we do not have any up-market housing at all in Bridgetown. That is an area that we should seek to develop.

Then, Sir, we want to develop commercial buildings, especially when it relates to the sale of goods, especially to tourists because tourism is going to be for a long time the engine of our economic growth so we could as well get accustomed to it and make maximum use of the 800 000 people that visit our shores. We have to make sure that we have some building activity to cater to tourists and also for office accommodation and so on. Then, Sir, most of the areas are near the sea, Carlisle Bay, Speightstown and St. Lawrence so we want to encourage water-based activities within those areas, marinas, piers, jetties and so on, to their advantage of the beaches and sea that we have.

The Scotland District, Sir, is one of the special development areas. We would want to encourage, within the Scotland area, environmentally compactable activities which highlight the heritage and natural environment of Barbados. The Scotland area comes to mind here because it is a lovely part of Barbados. Some physical development in those areas, which are environmentally sound and are certainly appealing, would do a lot to improve the tourist plant in Barbados and also provide places for Barbadians to go and enjoy. Part of the activities we will be supporting in the Scotland area would relate to heritage and eco-tourism.

Also, Sir, an important part of the whole scenario is the development of arts and cultural investment. That is not to be left out. We will be encouraging investment in the arts and culture. That is an activity where we have not paid enough attention to in the past. Part of the whole operation would involve incentives for people within the tourist belt, so to speak, to invest in arts, fine arts and those sorts of activities. Those are some of the activities we would be encouraging in these special development areas. The artists can get together under some sort of cooperative scheme and approach Government in this regard because we know that tourists love to purchase works of art. That is one area, as I said, they can probably come together and put schemes to Government in order to make use of the incentives that are provided in this legislation.

Sir, I think there are plans for the old Empire Theatre so we are not only thinking in terms of commercial activity but we are also thinking in terms of art and cultural activity. All of that is part and parcel of the whole Special Development Areas legislation. That is why, Sir, I am proud that this Government has sought to put it in place because it would mean a lot to everybody in Barbados, not to one section and not the next but everybody in Barbados can share in this development. That is what the Opposition should be telling people that here is an opportunity for them to play a meaningful part in the development of our country, not trying to tell the people of Barbados that there is nothing in it for them because there are opportunities there. I am sure that when we look at the developments in the country, we will see that the majority of our people are coming to the fore economically and are making the sort of investments which, in a few years' time, we will see the fruits thereof.

Sir, I have no difficulty with the concessions that are given for the activities mentioned. I do not think that they are as generous as what other people have got but we believe that it sets the framework for significant investment within these designated areas. I would want to tell this Honourable Chamber that there is not anything earmarked for anybody in this legislation. The Government will treat everybody as equals and everybody can try to take advantage of the concessions and other incentives.

Sir, I was talking to another poor black man, trying to encourage him by telling him the Government has brought in legislation and why he does not see what he can do in terms of investing within the area and take advantage of what is given. I feel we should be telling the people with whom we come into contact that there are opportunities there and encouraging them, not carrying on with all of this negative talk and trying to stymie the entrepreneurial spirit that is being developed among our people.

Sir, I have no problem with this legislation. It can mean a lot. It can do a lot as we seek to further develop this land of ours. I encourage all Barbadians to see what advantage they can take of the provisions that are provided in this legislation and see it as another step by this Government towards the development of this country for the benefit of not some, but all of its citizens.

I thank you.

SENATOR THE HON. R. R. FARLEY: I beg to move, Sir, that this Bill be read a second time.

The question that the Bill be read a second time was put to the Senate and agreed to.

On the motion of SENATOR THE HON. R. R. FARLEY the Senate went into Committee on the Bill, SENATOR Miss O. P. SYMMONDS in the Chair.

COMMITTEE

Madam CHAIRMAN: The Senate is in Committee.

Clauses 1 – 3 inclusive, were called and passed.
4.35 p.m.

Clause 4 was called and passed.

Clause 5 was called and passed.

Clause 6 was called and passed.

Clause 7 was called and passed.

Clause 8 was called and passed.

Clause 9 was called and passed.

Clause 10 was called and passed.

Clause 11 was called and passed.

Clause 12 was called and passed.

Clause 13 was called and passed.

Clause 14 was called and passed.

The First Schedule was called.

SENATOR THE HON. R. R. FARLEY: I beg to move that the First Schedule becomes the First Schedule to the Bill.

The question was put and agreed to.

The Second Schedule was called.

SENATOR THE HON. R. R. FARLEY: I beg to move that the Second Schedule becomes the Second Schedule to the Bill.

The question was put and agreed to.

The Third Schedule was called.

SENATOR THE HON. R. R. FARLEY: I am proposing an amendment to the Third Schedule to the Bill. At 1 where it reads import duty, stamp duty, consumption tax and value added tax on imports for building renovations and building refurbishment, I propose to amend that by deleting the words "building renovations and building refurbishment" appearing in the second line of paragraph 1 and to substitute the words "the construction of new buildings and the renovation or refurbishment of existing buildings", immediately after the word "for".

Madam CHAIRMAN: The question is that ...

SENATOR C. K. LAURIE: Madam Chairman, I would like to move an amendment to the amendment. I feel that this thing just addresses buildings and I feel that there is renovation to land, particularly in the Scotland District which involves a fair amount of extra expenditure. It is not like just ordinary agricultural things that come under agricultural practices in the Act. We should look at the renovation of land in the Scotland area as a special activity and they should be granted the same exemption from taxes and I would like to suggest that the amendment put forward by the Leader of the Senate should be changed in the following way that it would read

"(a) the construction of new buildings, renovation or refurbishment of existing buildings, and

(b) the renovation of agricultural lands in the Scotland District area."

SENATOR Mrs. P. E. RICKINSON: Madam Chairman, I beg to second that amendment put forward by Senator Laurie.

Madam CHAIRMAN: The question is that the words "sought to form part of the amendment" stand part, those Honourable Senators in favour please

Pause.

Madam CHAIRMAN: Senator Laurie has just proposed an amendment to the amendment and the words which he seeks to add are "and the renovation of agricultural land in the Scotland District area" be part to this amendment. So the question being asked is, that the words "sought to form part of the amendment" stand part.

The question was put to the Senate and agreed ... 4.45 p.m.

SENATOR C. K. LAURIE: Madam Chairman, I question the correct ruling here on what you just said because in my experience in the Senate after the vote has been taken and the Chairman has determined the Ayes or Noes then someone claims the right to divide. It has always happened that way.

Madam CHAIRMAN: All right. It did not come directly, so a division has been called for and dividing as follows:

Noes: – SENATOR THE HON. R. R. FARLEY, SENATOR THE HON. G. S. H. MURRAY, SENATOR T. E. BARKER, SENATOR Miss C. Y. FORDE, SENATOR D. T. GILL, SENATOR Miss J. C. ODLE, SENATOR N. P. WELCH, SENATOR N. A. LYNCH – 9.

Ayes: – SENATOR Mrs. P. E. RICKINSON, SENATOR C. K. LAURIE, SENATOR S. P. BERNSTEIN, SENATOR THE VENERABLE ARCHDEACON J. L. SPRINGER, SENATOR Mrs. V. J. DAVIS, SENATOR J. A. WORKMAN – 6.

Abstentions: – SENATOR Mrs. A. P. THOMPSON.

The question is that the words proposed in the amendment stand part was put to the Senate and agreed to.

On the motion of SENATOR THE HON. R. R. FARLEY, Madam CHAIRMAN reported to Mr. PRESIDENT the passing of one Bill in Committee and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR THE HON. R. R. FARLEY, the Bill was read a third time and passed.

ORDER NO. 2 – TO MOVE THE SECOND READING OF THE FINANCIAL INSTITUTIONS BILL, 1996

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to move the second reading of this Bill entitled the Financial Institutions Bill, 1996. It is proposed that this Bill will repeal the Financial Intermediaries Regulatory Act, 1992-13. A decision was taken to come up with a new Bill rather than attempt to take the form of major amendments. In addition, Sir, the work which was done as part of the issue that will inform the action that we are taking today involves efforts to harmonize the regulation of financial institutions throughout the Caribbean and a decision was taken as well across the Caribbean region that where possible similar terms will be used and in most jurisdictions in the Caribbean now the trend is towards the general description of financial institutions.

So that, Sir, this Bill basically attempts to improve the provisions which are in place for the general management and regulation of the financial system in Barbados so as to ensure that a strong legal framework exists and that the integrity of the financial system can be maintained.

Sir, I indicated that among the issues that would have affected the decision to move in the direction of a Financial Intermediaries Bill was the work of bank supervision harmonization project which goes back as far as the early 1990's.
4.55 p.m.

Sir, there have been a number of changes, both regionally and internationally, in the ownership structure of financial institutions in their method of operations as well as a number of difficulties which have arisen in financial institutions across the world which have signalled to us in Barbados, even though we have not had any major problems in our financial system, that we should still undertake early and preventative action to ensure the integrity of the system.

I am sure all of us are aware of such: the crisis in the United States savings and loans institutions and more recently, some of the major international problems, one in Japan and the other in Singapore as well, Sir, as other institutions. Even within the Caribbean region, particularly in countries such as Trinidad and Jamaica, there have been difficulties and some of them are not entirely resolved, particularly in the case of Jamaica.

There have been a number of banks and non-banking financial institutions that have failed in recent years. Some of them have had to be restructured or refinanced by the governments of those countries at great expense to the taxpayers, not to mention the loss of confidence in the financial system in general which normally follows on the heels of such financial difficulties.

Part of the problem arose out of the fact that in the case of Trinidad for example, the economic expansion of the 1970s resulted in a concentration of credit in some areas as well as some poor quality assets and when coupled with inadequate supervision by the directors of these institutions, that appeared in many cases to have sprung up almost overnight, as well as a legal framework which at that point in time did not allow for the effective regulation of financial institutions, then you could see why the results were as they were. This has led now on the basis of hindsight in that particular jurisdiction to a revision of that country's legal framework in the operation of financial institutions as well as the putting in place of programmes such as the deposit insurance schemes and an expansion and improvement in the supervisory structure to these institutions.

In Jamaica, the problems that have resulted have resulted largely out of the general economic situation but there were also problems relating to what is known as related party lending and over-exposure to some particular sectors of the economy which, then, having encountered the problem would have precipitated failures in the particular financial institutions that would have been overly exposed to those sectors.

Again, Sir, arising out of that there would have been revisions to the laws governing banking and other financial institutions but in spite of that difficulties continue to arise. Only a few days ago, we heard of one of the many banks which are there, in fact, one of the smallest of the indigenous banks operating there, having to be restructured and refinanced by its majority shareholders in order to save the particular institution.

The point is, Sir, as I indicated earlier, even though we have not had major difficulties, we want to keep ahead of the game. Sir, those difficulties in particular countries together with the fact that the region is seeking to move towards a single market and economy would have inspired the initial thrust towards a revamping of the regulatory framework within which financial institutions function as well as in that reformation process to seek to have similar conditions not only with respect to the legal framework but the prudential oversight put in place.

In fact, Sir, the areas which have been identified by the Central Banks of the region in which work has been done on harmonisation with respect to the governance of financial institutions include the legal framework, prudential regulations, deposit protection mechanisms, financial reporting and of course inspection procedures. It is within that context, Sir, that this particular development has occurred.

In the context of Barbados, Sir, as indicated, since the passage of the Financial Intermediaries Regulatory Act which would have replaced the 1963 Banking Act, there are a number of institutions which would have operated under that particular framework. In Barbados, for example, there are some 7 commercial banks licensed in accordance with Part II of the Financial Intermediaries Regulatory Act, 4 of them are locally incorporated and 3 are of course branches of foreign commercial banks. In addition Sir, there are some 10 other entities which would include the trust and finance houses and merchant banks which would have been registered in accordance with Part III of the Financial Intermediaries Regulatory Act. In addition to that, there are some 4 deposit taking commercial houses which operate in accordance with Part IV of that particular legislation.

It is also important for us to understand why we need continuously to upgrade our process of regulating these financial institutions and perhaps it would be useful to take

a look at the growth of the financial services sector within the context of Barbados to ascertain or to assure ourselves of the fact that any difficulty in this sector would have far reaching consequences for the economy of Barbados and also that Government's responsibility is to move as necessary to ensure the proper regulation of the sector.

For example, Sir, commercial bank assets in Barbados have grown from some \$2.3 billion in December of 1992 to \$3.1 billion at the end of March 96. Bank deposits for the same period, that is, for December 1992 rose from \$1.9 billion to \$2.6 billion in March 1996 and those were for commercial banks.

In addition, for those 10 companies registered under Part III of the Act, the trust and finance companies and the merchant banks, the assets for those companies would have grown from \$412.3 million in December 1992 to \$454.8 million in March 1996.
5.05 p.m.

For the deposits, Sir, at those particular institutions would have been somewhere in the region of \$365.5 million at March 1996. With respect to the 4 companies registered under Part 4 of the Financial Intermediaries Regulatory Act, Sir, that is the deposit taking commercial houses, the deposits at those particular establishments would have totalled some \$44.7 million at March 1996.

Basically, those figures indicated to me, Sir, that the increase, assets and deposits at these financial institutions, Sir, place more pressure on the supervisory and regulatory system, Sir, and we need, as a Government, to ensure the soundness and integrity of these financial institutions.

Sir, the other area, as I get into the details of the Bill, which you will find to differ significantly in addition to the discontinuance of the provision for commercial houses to take deposits would be the role of the Barbados National Bank.

The Barbados National Bank currently has an exemption clause within the Financial Intermediaries Regulatory Act which basically recognises the Barbados National Bank Act, and basically allows the Barbados National Bank to be subject to a different regulatory and operational framework from other commercial banking institutions in Barbados. What is provided for in this particular legislation, Sir, would be a restructuring of the BNB's operations in the form of a rechartering of the bank under the Companies Act and its inclusion into the framework of the Financial Institutions Bill, which will basically bring its operations in line with the provisions prescribed for commercial banks generally. We are satisfied, Sir, that those provisions that are made in the

new Financial Institutions Bill will protect the interest of all concerned.

For example, Sir, one of the issues which would have had to be faced with respect to the Barbados National Bank would be the replacement of some \$209 million in the bank's non-performing loans in 1993 with Government Debentures, Sir. This would have been accumulated over the years as a result of poor credit procedures, large exposures, Sir, and, of course, inadequate loan provision and other contributory factors.

The new Financial Institutions Bill, in addition to strengthening the regulatory environment, Sir, would bring some levelling of the playing field in respect to the operations of the various financial institutions in Barbados, and it would also serve as part of the effort at harmonising legislation affecting the operation of business within the CARICOM region, Sir, to facilitate the ever continuing thrust towards to establishment of a single market and economy.

Now some of the more significant of the proposals which represent the changes, Sir, in the Financial Institutions Bill would be those relating to the assignment of capitals for institutions operating in Barbados. It is required, Sir, that the banks in Barbados need to increase their stated capital from \$2 million, in the case of banks, to \$4 million, and from \$500 000 to \$2 million for other financial institutions. There are also a number of guidelines that have been put in place to specify what would be characteristics of persons to be considered fit and proper to be directors of financial institutions. Again, Sir, this is recognising that the general guidance and the general soundness of financial institutions rest largely on the shoulders of the directors of those institutions, and it is important that Government, as the honest broker in the regulation in the financial system, Sir, should act on behalf of shareholders and depositors to ensure it does all that is necessary, Sir, including laying down guidelines for the qualities and requirements for directors of those companies to ensure that every level of protection is afforded.

Another major feature, Sir, would be the removal of some of the exemptions to the limit of 25% of capital for group lending exposures. In other words that particular category of limitations has been reduced. The Financial Intermediaries Regulatory Bill, which this Act will replace, was recognised as being a piece of legislation to allow for transition. A transition from some of the traditional practices, Sir, to more modern practice. It was felt, Sir, when we were in the stages of preparing this Financial Institutions Bill, that several of those transitional measures were no longer needed in a new Financial Institutions Bill. Among those measures would have been some provisions for exemptions to the rule that loans must be limited to 25% of the capital, Sir. Included in some of those exemptions, Sir, would be the level of use of which certain

levels of real estate can be used as guarantees in terms of the large level of exposure. This seeks to recognise the volatile nature of the real estate market, and the fact, Sir, that a financial institution cannot rest its entire soundness on the whole matter of real estate.

I believe that you will be familiar, Sir, with the fortune of one of our earlier indigenous banks, the owner whose name I cannot recall at the moment, but the fortunes of that bank rested on the development of that area of land between Belmont Road and Tweedside Road. That particular indigenous institution would have been one of the first developers and persons who would have lent money to ordinary Barbadians to purchase land in that area. However, the fortunes of that institution were hung in two ways. One is that when persons would have started to go overseas to work, Sir. Some of them did not leave proper arrangement for the payment on the loans, Sir. In that particular period, Sir, there was a plummeting of the value of the real estate which essentially formed the collateral of the institution. As a result, Sir, that institution, had it succeeded, Sir, would have been an excellent example of the entrepreneurial skill which is inherent, Sir, with the ordinary, to use the term which the Honourable Senator Thompson claimed that persons would want to stop her from using, which would have been a shining example of the entrepreneurial spirit inherent in the many small black persons living in Barbados.

5.15 p.m.

Sir, other changes relate to the removal of the provision, Part 4 of the Financial Intermediaries Regulatory Act which would have allowed for the taking of deposits by commercial houses.

Now, Sir, this is something that has occurred over many many years in Barbados where large commercial houses would take deposits from individuals and pay them some level of interest. Again the Financial Intermediaries Regulatory Act being recognised as a transactional arrangement allowed that particular matter to continue while efforts were put in place to encourage commercial houses to issue commercial paper as a source of funding for their operations as opposed to taking deposits.

What is also being planned, Sir, is that the Securities Exchange, through an expansion of its operations, would be able to engage in the regulating and trading of this commercial paper so that, in effect, you would be creating opportunities for other instruments to be used by a wider variety of persons. Also, accredited financial institutions which already offer deposit facilities might very well be more viable and less chancy investment for small investors than necessarily the use of deposits in commercial houses.

Other provisions that are made, Sir, are the provision for the regulation of trust activity in a way similar to

that included in the Offshore Banking Act as well as other detailed provisions relating to strengthening of the supervisory and regulatory powers in the new Act.

The other provision which I have referred to already is the provision which had segregated the Barbados National Bank to be in a separate category of banking institutions from the other commercial banks, whether indigenous or foreign so that the provisions of the new Financial Institutions Bill would level that playing field and ensure, for example, that the BNB would need to make adequate provision for doubtful loans and also that the BNB would also, like other banks, local or foreign, have to pay due regard to its capital and be restricted like other banks to loans not to be in excess of 25 per cent of the capital.

There is, of course, the appropriate grandfather clause which would allow the BNB to carry existing loans which would have been made outside of the framework, for example, of the restriction of the 25 per cent of stated capital. Obviously once those are worked out of the system the provisions of the Act would be very much fully in place.

Sir, we are satisfied that this Financial Institutions Bill will go a long way to improving the financial soundness and integrity of our system in Barbados. We are satisfied that we have done the right thing by moving ahead of any difficulty in Barbados. We have, in effect, made sure that we have bolted the door before the horse has bolted. What we would also do is to ensure that we keep an adequate check on the horse that is on the inside so that if the horse becomes bigger and stronger and we need to add more bolts or change the door that we will also do so because it is important that regulators, particularly of the financial system in any country, recognise that it is their responsibility to move ahead of the game, keep abreast of the changes and have the appropriate framework put in place to avert any possible dangers which may arise.

Sir, I beg to move that this Bill be now read a second time.

SENATOR Mrs. A. P. THOMPSON: Mr. President, the area which I would like to make a contribution on in this particular Bill is that section which deals with trust activities. It is a very big Bill. The reason I want to deal with this is because in recent times in Barbados there has been a considerable amount of discussion on a whole host of instruments for retirement planning and even in the Budget of this year reference has been made to the establishment of registered retirement savings plans in Barbados. To date, there is a lot of talk going around but I am not sure there are many Barbadians who are really aware of how a registered retirement plan can be implemented in Barbados.

I believe that under this particular area, trust activities, although we are discussing banking and business of trust and finance companies, this is an area which needs to be emphasized a lot more in Barbados. I believe also in the Budget the Minister of Finance made reference to credit unions participating in the issuance of registered retirement savings plans. This particular piece of legislation does not deal with credit unions. It deals mainly with commercial banks, trust and finance houses. In order for a registered retirement savings plan to be set up in Barbados they must go by way of the trust since the trust is the instrument which must be used for the management and investment of the funds of these individuals who may want to be owners of registered retirement savings plans. Other than life insurance companies which have their pension fund set up in trust, I do not know of other finance houses in Barbados which participate in the use of the trust as an instrument for savings, investment and the management of funds.

The reason why I touch on this area too is also because at this time a lot of emphasis is placed on productivity and the payment of bonuses based on the results of profits from organisations. I am one of the individuals who would want to push for companies to consider setting up deferred profit sharing plans which are also managed by way of trusts.

In a deferred profit sharing plan the employer would set aside each year on behalf of the employees a percentage of the profits which the trust would then manage on the employee's behalf. Another way of guaranteeing that these funds are not spent in consumption, and since we are trying to curb so much spending in Barbados by way of credit and by way of individuals withdrawing their savings from accounts, we should at this time be advocating that employers develop an interest in the deferred profit sharing plan as a trust instrument for the saving and investment of those bonuses to which their employees would be entitled.

There has also been reference in the Budget, I believe, to individuals withdrawing from the registered retirement savings plans funds for home ownership. There is also another trust which can be set up called a registered home ownership plan using the same installment method as the registered retirement savings plan and the deferred profit sharing plans. All of these are instruments which we can utilise in Barbados to help empower our citizens and get them to actively participate in ownership. The protection under the Trust laws in Barbados would guarantee them that their monies are pretty well managed by people who are qualified to invest them. Hence they will be protected as individuals from taking very high risks which they can least afford to take on their very small resources. Also in the area of mutual funds the Trust again is an instrument which must be utilised in the formation of mutual funds and in the management of such funds. The reason I am speaking at this time, Mr. President, is because at all times when we debate legislation we tend to

highlight certain areas for particular purposes but sometimes imbedded in that same legislation is very important legislation of which not many Barbadians are familiar and which we need to pay greater attention to and to highlight.

5.25 p.m.

Ever since the Budgetary proposals earlier this year a number of individuals have been calling up life insurance companies trying to find out, how can I go about having to register retirement savings plans? I think the time is right because for a very long time those life insurance people who have done the Chartered Life Underwriters Designation and the Chartered Financial Consultants Designation have been trying to get Governments to institute such instruments in Barbados.

Finally, as we try to participate in this whole global economic situation we are getting there but I do not like the idea of Barbados, as a country by name, getting there and its people lagging because as much as we talk about these things, unless the citizens of Barbados are totally aware of what they are all about and how they can be utilised by them, we would really have done nothing. So, Sir, I hope that as we go about making these amendments to this Bill that we will seek to pay greater attention to the areas in this particular Bill which can be utilised immediately.

I am told that at present work is being done on the legislation for Registered Retirement Savings Plans but I hope we would not, at this time, be reinventing the wheel but that we would come back to this Financial Institutions Bill and borrow those areas of this Bill which are applicable to those particular areas.

This is the contribution which I would like to make at this stage. Thank you.

SENATOR THE HON. R. R. FARLEY: I beg to move, Sir, that this Bill be now read a second time.

The question was put to the Senate and agreed to.

On the motion of SENATOR THE HON. R. R. FARLEY, Mr. PRESIDENT left the Chair and the Senate went into Committee, SENATOR Miss O. P. SYMMONDS in the Chair.

COMMITTEE

Madam CHAIRMAN: The Senate is now in Committee.

Part 1 – Clauses 1 & 2 were called and passed.

Part 11 – Clauses 3 to 21 were called and passed.

Part 111 – Clauses 22 to 41 were called and passed.

Part IV – Clauses 42 to 52 were called and passed.

Part V – Clauses 53 to 83 were called and passed.

Part VI – Clauses 84 to 86 were called and passed.

Part VII – Clauses 87 to 92 were called and passed.

Part VIII – Clauses 93 to 119 were called and passed.

On the motion of SENATOR THE HON. R. R. FARLEY, Madam CHAIRMAN reported the passing of one Bill in Committee without amendments and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the motion of SENATOR THE HON. R. R. FARLEY the Bill was read a third time and passed and cited as the Financial Institutions Act, 1996.

SUSPENSION

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Sitting be now suspended until 5.55 p.m. today.

The question was put to the Senate and agreed to and Mr. President suspended the Sitting accordingly. 5.55 p.m.

RESUMPTION

Mr. PRESIDENT: This Sitting is resumed.

ORDER NO. 3 – TO MOVE THE SECOND READING OF THE VALUE ADDED TAX BILL, 1996

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to move the Second Reading of this Bill which seeks to provide for the introduction of a Value Added Tax in Barbados. The Bill which is before us makes provision for the introduction of this tax. Sir, Value Added Tax is a tax which is imposed on the value of the mark up added to imports and other goods and services supplied by one business to another or a business to a final consumer. The proposed date for implementation of the Value Added Tax in Barbados is January 1, 1997. At that time of introduction of the Value Added Tax, 11 taxes will be abolished so that in that sense the VAT, although it is a new tax in terms of being different, is really not within the realm of additional taxation on top of the burden of other taxes.

On January 1, as provided for in the Value Added Tax Bill, the following taxes will be abolished, the consumption tax, the luxury tax on goods, the stamp duty on imports, public entertainment tax, hotels and

restaurants sales tax, the service tax on pleasure cruises, the tax on quarriable materials, travel ticket tax, tax on overseas telephone calls, surcharge on rental income and the airlines business tax. So it is important as we start this debate to recognise that we are talking about a different tax and not additional taxes.

Arrival at a position like this where we implement an alternative taxation system which represents major reform of the indirect taxation system is really partly out of the natural evolutionary process in terms of the development of the economy where the systems of taxation must be changed to recognise the changes which have occurred in the economy, the nature of production, the nature of earnings, the nature of spending and the nature of the revenue as well which is required for governmental operation in any given period.

The reviews which would have been conducted and which would have informed the decision to introduce a value added tax are just part of the several reviews which would have been done in the post-independence period to determine generally the appropriateness of any particular system of taxation so that a number of studies would have been commissioned over time. For example, Sir, if we go as far back as 1979, we had the eminent Professor John F. Drew who, as you know, was one of the pre-eminent scholars and popular writers in the area of government finance. He was commissioned to conduct a study in Barbados on the indirect tax system of Barbados and that was a comprehensive one. The aim of such a review at that point in time would have come up with a tax which would achieve a number of objectives, including that the tax should be an aid to economic development, improve the equity within the taxation system, simplify the tax structure and it should also improve the operation of the indirect tax system.

Back in those days, Sir, there was a disproportionate reliance on direct tax revenue as opposed to indirect tax revenue and one of the important features that was observed on the basis of that study was the very steeply progressive nature of the taxation system at that point. To the extent, Sir, where a number of things occurred: the steep, progressive nature of the direct system then acted as a disincentive to both management and labour in terms of coming up with a system of remuneration which would not do violence to the employees' capacity to take some money home.

In addition, Sir, the other matter was the fact that persons who did not rely on earning a wage were paying disproportionate portions of their income when compared to persons who rely on wage income. That was part of what was observed as far as the tax system as it was at that point. Also a recommendation even at that point gave a warning concerning any decisions to raise consumption

taxes at that point. As far back as that 1979 study, a recommendation was made that a Value Added Tax would have been the way to go.

That recommendation was not accepted at that point because at that point it was determined that the Government did not have the required resources, human infrastructure and otherwise to support that particular recommendation. Instead, Sir, the Consumption Tax Act of 1980 was passed and what that did was, recognising the fact that taxes were spread on a very narrow base, it sought to broaden the range of items on which that tax was levied. That tax was levied at that time at a rate of 5%. Of course, there were the special rates for the usual things such as alcohol, tobacco and so on.

To show how we have come to the point where we need to take another look and to make a determination about the appropriateness of the indirect tax system, today we have 25 different rates of consumption tax ranging from 21% to 89%. So Sir, you can see that that is a far cry from the situation which you would have had back in 1979 when even then it was suggested that we needed to go a route other than consumption tax. And it was less complicated at that point in time.

In addition to that, Sir, there was also in place the Stamp Duty Act and the rates which currently apply is a rate of 20% on extra-regional imports. So those together contributed to a high level of taxation on a still relatively narrow base of goods as compared to the general level of production in the economy. It is true to say that from the early 1980s Government would have recognised the need for change, but the problem worsened and part of the issue related to the matter of tax cascading and that situation was one which obviously would not have worked too much in favour of producers specifically but business in general because the taxes paid at one stage of production were being compounded further and further throughout the process. In fact, Sir, one of the writers on these matters noted that tax cascading can be as high as 250% in the entire production process.

To take a work example, a tax which may very well start out in the region of 4% at the input stage, at a lower level of production, may very well turn out to have the impact of 10% at the final outturn. You would understand and appreciate the impact which such cascading would have on Barbados' competitiveness as far as its exports are concerned.

The other thing which would again have brought us to the point where today we can all agree that we would need to move in a direction of a value added tax would be the change in the structure of the economy. As I said at the start of my remarks, a review of tax systems is needed over periods of time to ensure the appropriateness of the tax.

Sir, it is clear and the statistics bear it out, that the service sector of the Barbados economy has outgrown the production of goods and that an indirect taxation system which is largely based on a consumption tax and a stamp duty which are by and large levied on physical goods means that the bulk of the tax revenue is being collected on that sector of the economy in goods which have already been overtaken by the services sector, so that that has an impact for the rates of taxes which you pay if you want to maintain a certain level of revenue, and generally speaking it narrows the base in such a way that the question of equity would have to be raised, where persons who by the nature of their activities are more involved in the use of trade of items on which the tax is levied will bear a higher burden than persons who are more into services. Therefore, Sir, because of the nature of the present system there is no tax.

Sir, the next major study which would have been done and which would have once again reinforced the recommendation for a value added tax would have been undertaken by the last Administration in 1991. That is when they would have approached the IMF and the IADB for assistance in a review of their taxation system. The review would have been taken of both the direct and the indirect taxation system. In fact, Sir, the changes to the direct tax system were made back in 1992 and one economist, one Clive Mascoll, now Senator, claims to have a fair hand in that particular process.

Sir, that particular process, as I said, is part of the things which one does with tax systems from time to time, review to see the relevance within the particular changes in the economy and the like. Although the review which would have been undertaken looked at both the direct and indirect taxation systems, the changes as were deemed appropriate by that Administration and its chief architects and advisors at that point were introduced back in 1992 that the changes to the indirect taxation system were not attended to at that point in time.

There was a recommendation in 1992, a general recommendation, based on the Bristow and Wurts's Report. Those were 2 consultants commissioned by the IMF to look at the indirect taxation system in Barbados and they recommended that a VAT be introduced. That would have been the third time since Independence that a recommendation would have been made for the introduction of a VAT. In fact, Sir, the reasons which were advanced for change, both in the direct and the indirect taxation systems at the time, were the impact which the existing rates and method of application of taxes would have been having on the manufacturing sector, especially as it related to exports, would have been the existing system which was a major cause of cascading. It would have been the desirability of using the opportunity of reform to effect reduction in certain areas of taxation and of course the need to broaden the base of the application of

indirect taxation to restore a greater level of equity in the system and, of course, simplification of a tax system which had become overly cumbersome and generally speaking somewhat unworkable.

Sir, the next stage was for the Government at that time to proceed with the recommendation made by Bristow and Wurts for the IMF for the introduction of this value added tax. The decision was taken to establish a VAT Implementation Unit and that decision was taken in August 1993 and the first 4 staffers would have been appointed in February 1994. So the process of the implementation of the VAT was put in train. In fact, Sir, the same Professor John Drew who did a study back in 1979 to assess the appropriateness of the tax system was again one of the consultants. As a pre-eminent qualified writer in public finance issues and whose work all of us as students would have read in that particular area was again chosen as one of the consultants to the process in 1993-94. In addition, there would have been other persons whose names I wouldn't bother to get into.

Sir, in 1993, the decision to go to value added tax would have been taken as well as many of the policy issues considered to be the way to go at that time. In fact, the last Administration would have in September 1993 made some 41 clear policy decisions concerning the way the VAT was to be levied and implemented and administered and those 45 separately listed points which I would not get into at this point in time would have formed the foundation for the first draft legislation which would have been developed by the team of consultants during 1994.

I want to say at this time that the Barbados Labour Party when the work of Bristow and Wurts and the other consultants recommending the VAT as a means of alleviating some of the difficulties that I had alluded to earlier, indicated its support in principle for the direction of going with a VAT.

6.15 p.m.

So that, Sir, the 41 clear decisions being taken bestow one of his final works in terms of rate determination and some other specifics and he recommended and part of the 41 decisions accepted would have been that the rate would be 15 per cent and among the other 41 would have been the agreement that a threshold level of \$60 000 be set and various other bits and pieces. However, Sir, on assuming office in September 1994 when we took a look at where we were at with the implementation of a Value Added Tax, remember that the VAT Implementation Unit would have been established. The 41 policy points would have been agreed on and based on that the consultants would have developed draft legislation and they would have done considerable work. But we had another discomfiting situation and that related to the fact that the rate of 15 per cent had been recommended and agreed on that we still

felt that there needed to be a number of indepth impact assessment studies done to determine a number of things. They largely relate to the effect that VAT will have on particular sectors of the economy.

We decided that we would want to postpone the implementation of the VAT. So that we could conduct some work, we wanted to make a more careful assessment of the revenue yield. We wanted to assess the incidents of the tax on various sectors of the economy and we also particularly wanted to determine the impact of the VAT on the vital tourism sector. So we chose a team of consultants and they set out to work. We sought the assistance of the Fiscal Affairs Department of the IMF to work with us and in this case it was a Mr. John King, not of local calypso fame but just Mr. John King, who worked with an eminent team of local economists not including the goodly Senator Mascoll, to do these studies that we had actually done. Obviously, they would have had to establish a methodology for assessment of the areas mentioned. They would have specified the data requirement and they would have existed in the actual data computation and so on.

So that it is on the basis of that research work that we would have been able in April 1996 to sign off on the policy framework and to specify the policies which we would adopt for the VAT. But in addition to the research work which would have been done by those technicians, we had also decided that in order to allow for wider inputs from interest groups on the matter of the VAT and whilst we had postponed the VAT and the research was being done on the VAT we would put out the draft legislation which, as I said, has been developed based on the 41 policy guidelines issued by the last administration. We decided to put that out in 1995 for discussion within various private sector and other groupings in Barbados. Included in that list, Sir, would have been the various private sector representative bodies such as the Chairman of Commerce, the private sector agencies, the BAS, BMA, the Institute of Chartered Accountants, the Congress of Trade Unions and Staff Associations and various other bodies as well as inviting other open and general comments from the public.

So that between the technical work that would have been done by that eminent team of economists and the feedback which you would have received from those interest groups which had been circulated and invited comment, they were able to revisit the draft legislation, revisit the policy framework and come up with the policies and the legislation which embody those policies which is before this Honourable Senate today. I should say to you, Sir, that one of the major departures which would have been taken as a result of the research work and the consultation was to go with an additional rate of 15 per cent that had been agreed on, rather to go with a rate of 7.5 per cent for the hotel accommodation.

Sir, I should tell you first of all two things. One, with the respect of the overall 15 per cent which have been decided on, it makes the revenue requirement but it is also very much in keeping with the level at which VAT is applied in other economies. For example, Sir, Britain has a rate of 17.5 per cent rate, Canada has a combined rate of state and provincial tax which is approximately 15 per cent, France is 18.6 per cent, Germany 14 per cent, Kenya 17 per cent and Chile 15 per cent. But in addition, Sir, internationally most countries in addition to their across-the-board rate also have a few extra rates usually for tourists accommodation. For example, Jamaica has a rate of 16.5 per cent tourist accommodation. They also have reduced rates. Greece has a general rate of 18 per cent and a reduced rate of 8 per cent for hotel accommodation. Ireland which has a rate of some 21 per cent has a reduced rate of 12.5 per cent for hotel accommodation.

The work that we did indicated that the imposition of a 15 per cent VAT on hotel accommodation would not have worked in the best interest of the hotel industry, neither would it have been a decision to exempt the hotel industry from the VAT. Now when a business is exempt, it operates basically outside of the Value Added Tax regime. It does not charge the VAT on its sales, neither can it claim the Value Added Tax that it has paid. So that essentially what you do if you are in business, Sir, is that pricing of your product will reflect the fact that you have paid a 15 per cent tariff on all of your overall prices to ensure that you recoup the goods. It is not as if you are generally speaking fixed that you would absorb except in the case in some countries you are a price taker. Take for example international services, which can be tourism and some international products that you buy due to the international competition and your standing in the international framework or arena, in effect will determine that your price is to be fixed if you are to get business at all. Therefore, your cost in inputs will have an impact on your profitability and indeed it may very well have an impact on your viability.

So that arising out of the recommendations from the studies we were able to come up with these decisions. In addition, changes were made on the list of items which should be zero-rated or exempt which would reflect the most suitable application of the tax involved. Representations were made concerning the threshold level set at \$60 000 depending on who you speak to, but the research that had been done also indicates that amongst various countries in the world that level of \$60 000 is not an unrealistic level in terms of the decision to have someone in the Value Added Tax system.

6.25 p.m.

I should mention, Sir, for the benefit of Honourable Senators, that when we speak about the threshold level, we are speaking about a level of general sales which one

needs to meet in order to be required to register for the purposes of VAT. With a threshold level set at \$60 000 per annum, if you are selling less than \$60 000 you do not have to register for VAT, so that you do not have to be involved in the record keeping and the other associated matters. Of course you do not charge or collect VAT on your goods or services and when you pay VAT on your inputs there is no process for claiming that VAT you have already paid. You operate in many ways as the exempt company would be, those over the threshold level and who would therefore, were it not for the fact that they are exempt, be required to register under the Value Added Tax. In fact, Sir, I want to indicate that one of the fundamental differences between the Value Added Tax as designed and taxes like the Consumption Tax and the Stamp duty is that the Schedules to the Consumption Tax and Stamp Duty would specifically indicate what products or services the tax apply to, and only if a particular product was listed in the Schedule would the tax be levied. On the other hand, taxes like the Value Added Tax work the opposite way. They apply to everything except those things which are specifically stated to which the Value Added Tax would not apply. Similarly, there is a requirement that all businesses register except for those that are given specific exemption, and so on.

We have proceeded on the basis of the policies which have been determined and which are embodied in the legislation to implement the Value Added Tax system in an efficacious manner. We are now at the stage where the relevant infrastructural work is being put in place, where staff is being appointed, where premises have been identified and acquired, larger premises than what existed in the Unit, and where the necessary information technology to provide the level of support which will be required for the VAT is now being put in place with the assistance of the Inter-American Development Bank.

If we were to look at the steps one would undertake to implement something like a VAT, Sir, which would include establishment of the policy issues, that has already been done. The preparation of legislation has been done and we are seeking to have the Senate's approval of that legislation. Construction of an implementation of the information technology to support the level of administration that is required is in process. The selection and training of staff is already in place and ongoing, and in fact with the passage of the legislation that process can now move into high gear. We must recognise that one of the reasons why we needed to push the date of implementation back is that a Value Added Tax cannot be implemented as one would implement a Consumption Tax or Stamp Duty or others, that is, the Minister of Finance cannot, in the case of a Value Added Tax, indicate that as of midnight tonight a tax of X% will be levied on these items, because the nature of administration involved is such that there needs to be an appropriate time for registration, for education and generally for training in order to ensure

the efficiency and effectiveness of administration and thereby maintain the integrity of the system.

With the passage of this legislation today this would pave the way for a process of intense training for members of staff of the Value Added Tax Unit, for persons in the accounting and technical support professions, for business persons, for members of the general public, because the fact of the matter is that until this legislation is passed training and public education cannot move beyond the realm of general awareness of what a VAT is like and the general principles of a VAT, because one cannot anticipate the decision of either House in terms of what the specifics of the legislation would require. It is only after the passage of this legislation that you will see the public education and the training move to a new stage, because the specifics of the Bill will be confirmed and we can move on. Beyond that, what is required is a time period for registration of businesses, because in terms of the administration of the Value Added Tax each business registered for the purpose of the Value Added Tax Act would be assigned a registration number and that registration number in this system, which is an invoice based system, would have to appear on the invoices and other documentation of the company.

If you are running your business, Sir, and you purchase wigits from Joe Bloke & Co., and Joe Bloke & Co. charges you Value Added Tax on those wigits, and you receive Joe Bloke's receipt for your payment, that would include Joe Bloke's Value Added Tax number and then you in turn, Sir, make your sales to your customers after having processed those wigits, so that you will be selling super wigits, you would also charge VAT on the super wigits you have sold to Lynch & Co. and your Value Added Tax number would need to be on your invoices, and so on. This is one of the inherent strengths of the invoice billing system, in that it produces an audit trail and it allows for a level of self-policing that a single stage tax, such as a sales tax, would not allow to occur or a VAT that is applied in another way.

I am making the point, Sir, that in addition to the registration of the companies under the VAT, what is needed as well would be a time during which the companies can ensure that their people are trained, that they can have their stationery adjusted to include the Value Added Tax number as required, and that they can also have the necessary administration information and accounting systems adjusted to take account of the need to collect, track and, most importantly, Sir, remit the Value Added Tax to the Commissioner of Value Added Tax. We are satisfied that we have been able to come up with the appropriate mix of policies with respect to the Value Added Tax which will ensure that its implementation will be smooth, that equity of the system will be maintained, that the base of the indirect taxation system has

been sufficiently broadened to allow for a low rate on a broad range of items and therefore to provide benefit to customers by having the level of tax on particular items significantly reduced. In fact, if I were to take an example, Sir, of just 1 or 2 items to indicate the level of reduction one could have, Sir. Hair care items which currently at this stage, prior to the VAT, would attract 120% all total, import duties and taxes would attract some 49.9% after the VAT. Cheese, Sir, which currently attracts 25% in taxes prior to the VAT would come down to 15.75%, refrigerators, Sir, 113% to 49.5%, and deodorants from 100% down to 55%, and the list can go on and on. 6.35 p.m.

The main point, Sir, is that there will be adjustments in the rates of tax. You have, for those goods which would have attracted high rates of duties and taxes, a reduction in the taxes, and this would include locally manufactured goods which would currently attract consumption tax at 21%, – minimum is 21% most at 29%, and which will benefit from a reduced tax of 15%. You will also have the situation in which there will be a number of services which, some services will attract a reduced rate of tax, for example, the airline ticket tax, Sir. There are not many people who are aware that they are paying a 20% tax on the cost of an airline ticket, but with the VAT that will be reduced to 15%. Some persons will not realise, Sir, that basically all imported food items except for rice and potatoes, attract 20% stamp duty. They will now instead attract a 15% VAT.

The argument which has been raised from time to time, Sir, about VAT on food is largely a sensational issue. Bearing in mind, Sir, that 20%.

Asides.

SENATOR THE HON. R. R. FARLEY: Now, Sir, the facts of the matter as well are, that there are a number of services which may not currently attract an indirect tax which may now be subject to VAT. So you will find that the price of some services will increase as a result of VAT, and that is a fact, Sir. It is here in the Act and we are not here to play games on it, Sir.

Overall, Sir, given that the VAT is being applied on a broader range of goods and services, the overall impact on the individual consumer is expected to be beneficial, because the high impositions that would have been felt on the few specific items will not be felt anymore, Sir. Through the balancing process, Sir, the reduction, generally speaking, on the impact on specific goods and a few adjustments in terms of services, Sir, the overall impact is expected to be generally beneficial.

We are proposing, Sir, to increase the frequency and the level of penetration of public education to ensure that

the public understands exactly what is going on. To ensure that they understand that the Value Added Tax is not an additional tax burden on top of the existing system of taxation. That they understand the 11 taxes which are being abolished by the introduction of the Value Added Tax, and that the revenue which is to be derived on the basis of the Value Added Tax will be just around the same level as the revenue which is currently extracted, Sir, from the 11 or so taxes with which they are currently faced.

We are also looking forward, Sir, to working with the professional groups, particularly the Institute of Chartered Accountants, to assist in the specific education of the private sector, because the process will, obviously, only work well if the private sector takes it seriously and do their preparation at an early stage. They cannot be like the virgins, Sir. Those virgins who did not have adequate oil in their lamps, and who waited until the night before the Bridegroom was suppose to visit, to attempt to procure the oil and to trim their lamps, and so on. They have to set out at an early stage to get involved in the training process, procure the necessary services of their professionals, talk to the people in the Value Added Tax office, and basically set up their accounting and administrations systems long in advance of January 1, 1997. That is important, and this is one of the reasons why the passage of this legislation is coming at this point in time, and the implementation date is set for that particular period.

Sir, I am please to commend this Value Added Tax Bill, 1996 to the Honourable Senate, and I beg to move, Sir, that this Bill be now read a second time.

SENATOR C. A. MASCOLL: Mr. President, it is indeed a pleasure to have this opportunity to put my views on the Value Added Tax in the records of the Senate, and it is, perhaps, a good thing that the media people are not around. I need for this to be seen in a very serious light, and I am hoping that my views would not expand the ranks of the Government Senators, if only by one, as a result of the comments which I intend to make.

Asides.

SENATOR C. A. MASCOLL: I have some reservations which I have shared way before September 1994, and this is really an ideal opportunity for me to state them here. First of all, there is a myth about this whole concept of revenue neutrality. In simple language, the existing indirect tax system of Barbados has a narrow base and very high rates. This reform is going to widen the base and reduce the rates, collect the same amount of revenue, and, in fact, that is revenue neutrality at a theoretical level. That is what it is about. 6.45 p.m.

However, let me just state that is really a theoretical position. In essence, if the Value Added Tax system does not recover more revenue from the economy than the existing complicated, complexed, inadequate indirect tax system which we presently have, then it would have failed. In reality, the VAT system must give us more revenue than we presently collect because the VAT system represents a partial privatisation of the tax system, that is, it gives more responsibility to the private sector to collect revenue on behalf of the Government than Government itself. Anyone who wants to challenge that whole concept of revenue neutrality and is suggesting that we are capable of introducing a VAT system under this regime which is going to recover less revenue than under a previous administration is really playing politics. You cannot at this stage because, in the event that this VAT system does not work at first chance, we are in for a very difficult ride as it has to work at the first opportunity if not the entire integrity of the tax system would be undermined and confidence in the entire economy will be undermined so let us not play politics.

The VAT system must yield more revenue than the existing indirect tax system if not the VAT system has failed. There is no discussion about that. It would mean that it is costing you more to administer your tax system when you are yielding less. It does not make sense. I am the one who could take licks for a VAT system if it comes into Barbados and I am saying that if I am willing to make that kind of open statement about what the VAT system will do to the tax system of Barbados, then the others should be willing to say it. Do not be pussyfooting on this issue. This is an issue that you have to be clear with the public on. Do not pretend that you are going to reduce any revenue as a result of the VAT system and then when the fiscal year comes you push the revenue into the next year in order to hide it. This is done normally under a VAT system because you set up...

Aside.

SENATOR C. A. MASCOLL: Yes you do. It happens in Trinidad. It happens in all cases where you introduce a VAT system. It has to be the case. In the event that you do not collect more revenue you have failed. That is a simple straightforward case.

The theoretical position is that you are revenue neutral. I will make this analogy. I am shifting from being a sinner to becoming a Christian. I am saying that there must be a point at which the transition is made and at that point you have to be neutral. You are neither sinner nor Christian at that point in time. It is a theoretical position. In order for a ball to rebound it has to stop. That is a theoretical position. In reality you do not observe it, who cares? It has to be the case so this whole tax system and talking about revenue neutrality is a theoretical construct.

Let me get on to more substantive issues in this debate, Sir. There is, and it happened again tonight in this Senate – the Leader has made the same error that is being made by the Prime Minister and, to some extent, is also being made by the Acting VAT Commissioner. I do not say it to criticize. I am saying that it has been a failing on the part of those marketing the VAT to Barbadians to fully articulate what it is about. Let me just explain because the Leader of the Senate just said that, say, a tin or corned beef which was the example used by the Prime Minister in the last Budget, at the port of entry you charge a stamp duty of 20 per cent. Yes, you are charged a stamp duty on corned beef. That is at the port of entry. At the port of entry that stamp duty on corned beef. That is at the port of entry. At the port of entry that stamp duty will be replaced by a 15 per cent VAT but the VAT will be charged not only on the C.I.F. value, it will be charged on the C.I.F. value plus the import duty. Therefore, we can say that there has been a cancelling out at that stage of the transaction.

However, the point that is being missed in this whole exercise is that for the first time local value added will be taxed as well. It means that when an individual goes to the Port and moves that corned beef from the Port to his final place of sale, there would have been all kinds of costs incurred in that transaction. That would include wage cost. It would include transportation and a whole range of other things, mark-ups, all kinds of things. At the point of sale there will be a VAT to the consumer. Therefore, the fundamental difference between our indirect tax system and the VAT system is that the VAT system is a tax not only on the import component of the good but also on the local value added of the good.

In fact, the VAT is a misnomer because VAT does not mean a tax on value added only. It means a tax on local value added plus the import component of the good so that you cannot say that the price of corned beef would not rise because there is a neutralising effect at the port of entry. What will happen is that for the first time VAT will be placed on the local value added and therefore that will constitute an increase in the cost of most food to Barbadians. That has been my concern for years. It remains my concern now. All I am saying is that this should have been a major concern for any administration seeking to introduce a VAT into Barbados. It should have been the first consideration. Why would you introduce a tax system, and I feel strongly about it, which you know is going to raise the price of food knowing that food constitutes 43 per cent of the expenditure of the household?

Aside.

SENATOR C. A. MASCOLL: It cannot be that. It would be much less. It constitutes 43 per cent or so. I

am saying it is not in the interest of Barbadians for there to be a 15 per cent VAT on food. I will go on to explain this point because I need to reinforce my position. I do not care much about any politics. I am saying in this debate this is more to do with this issue pertaining to how people will be treated as a result of the VAT system. It is not just a political issue. This, in fact, has nothing to do with politics because both parties are agreed on this issue. We are not necessarily agreed on the structure but agreed on this issue.

This is something I feel very, very strongly about. That therefore means that food costs, even on imported items – mind you, all food items coming out of CARICOM will for the first time experience a tax at the port of entry. Therefore, all food items coming out of Trinidad will for the first time encounter a tax at the port of entry. All local food which goes through the market chain will encounter a tax for the first time with the exception of very few beverages produced in Barbados. I am saying to you that even vegetables, once they go through the supermarket chain, will encounter a VAT at the point of sale. The only way you can get around that in Barbados is if you were to buy your vegetables from the small man in certain areas but that will not stop the Julie-N's and the other big supermarket outlets from selling vegetables. As a consequence there will be a tax on these things. This is something I feel strongly about.

I do not understand why there has not been further consideration given to the whole issue of the 15 per cent VAT that will be imposed on food. It does not stop there. In spite of the fact that you can recover, and that is just an artificial thing, because it is only the businessman who recovers a VAT, but it is passed on to the consumer. 6.55 p.m.

So therefore in all our restaurants outlets, the Chefette and the Kentucky, rather than being a 5% there will be a 15% on the snack box. What is more important, it is because chicken is locally produced and there is just the import of potatoes which is small because the actual tax on English potatoes is only 10% stamp duty and therefore there is not much to recover in terms of tax but there is an imposition on the output side which is going to raise the price on all food being produced in restaurants. That constitutes another increase in the cost of food as a result of a VAT.

These are positions that I held from 1992-93 and the problem in Barbados is that many times local technocrats who go through the entire mill of difficulty when they make certain recommendations they are treated as not being as significant as the others. It happened with the direct tax reform in Barbados when recommendations were made to increase taxation in Barbados excessively the direct tax reform was further amended by a committee and as a result

we had, rather than an increase in taxation across-the-board we had a situation in Barbados when a mere 5% of the paying working population experienced an increase in taxation. The other 95% in fact got a reduction as a result of the removal of stabilisation taxes, the removal of levies and the works. But unfortunately again those who could have assisted in the process refused to assist. Those accounting firms who could have preached to the people of Barbados that the tax reform was in the interest of them refused to be part of the process but it was more than that. Simplifying a tax system is not in the interest of the lawyers and the accountants and therefore when you seek to simplify a tax system you are in fact denying accounting firms and the like the opportunity to earn more because you are in fact making it so simple and transparent that there would not be as much need for those individuals in certain cases. Sir, you never got the support because it was not in their interest to do so. So I feel strongly about food. I like food. Food comes first and I always recommended a lower tax on food and in fact the first VAT report by the same Brian ... actually recommended that there should only be a 5% tax on food at the first ever recommendation. That might have undermined the revenue integrity of the system and therefore it was reconsidered but it should not be 15%.

A tax on food could have started at least at 10% and then make the adjustment one way or the other depending on the revenue outcome but to start at a 15% VAT on food knowing that it constitutes an excess burden and that burden is more so on the small poor black man who consumes a half portion of his income on food. It is regressive and VAT is regressive by definition. Therefore in full recognition of that there can be some consideration because it does not make sense to me again, why political parties would not see it fit to reduce the cost of food when food affects everyone in Barbados but the same political parties, in this case the Barbados Labour Party are prepared to lower the tax on the hoteliers while maintaining that high imposition on food on all and sundry.

I recently heard of an expression that somebody lit a house and then called the fireman. Now, why impose excessive taxation on the poor already in the knowledge that VAT is regressive and then set up other systems in order to relieve them when you could have relieved them at the initial point. Again it does not make sense. Hoteliers who are seeking a 7½%... Let me explain the hoteliers to you. The Leader of the Senate made reference to an impact study. In all fairness to my colleagues this study is not really worth the printed paper and it is not because of their incompetence, it is because of lack of information. They did not have the household budget surveys. They do not have the adequate data information and I know that. It is precisely because the same people in these sectors hide information from Government and do not pretend that you do not know that.

Aside.

SENATOR C. A. MASCOLL: You don't know?

Mr. PRESIDENT: Senator, please address the Chair.

SENATOR C. A. MASCOLL: Most amazing, Mr. President. It states here at page 3, Appendix 5(c) that in 1994...

SENATOR T. E. BARKER: On a point of order, could that document that the Honourable Member is quoting from a document of the Senate?

Mr. PRESIDENT: He has no obligation to make it a document of the Senate. He should tell us however what he is quoting from.

SENATOR C. A. MASCOLL: Sir, I am going to make it a document of the House. It is the final report, Ministry of Finance, Government Headquarters, Bay Street, Barbados estimation of the impact of the value added tax, authored by Kevin, Lindsay Holder, John King, May, 1996. All I am saying, Sir, is that in this particular appendix he says here that we earn \$546.5 million from the accommodation sector, \$270.9 million from the sale of meals and drinks to tourists, \$28.2 million shopping. Transportation \$85 million, entertainment \$61.7 million, departure taxes \$10.6 million. In essence I am going to say that this may constitute about one billion dollars in expenditure for the purposes which I want to show. It is \$1 billion and the existing restaurants tax which is imposed on the accommodation and the food and beverage is 5%.

Now 5% of \$1 billion is \$50 million. Let me tell you something about that. What is amazing about that is that when you check the official statistics of Government this has nothing to do with the restaurants, Chefette, Kentucky and the like who pay this same 5%. This is the hotels, the accommodation sector.

Now listen to this point. In 1994 Government collected \$17 million in hotel and restaurant tax of which the hoteliers paid about \$8 million to \$10 million. Half of it was contributed by Kentucky, Chefette, the Carambolas, Pisces, those restaurants. Now, therefore the estimation here is that it should have been \$40 million from the hotel and accommodation sector. Let us say they should pay 80 per cent of it on any good day to the tune of \$2 million, but they only paid \$8 or \$10 million to Government.
7.05 p.m.

Aside.

SENATOR C. A. MASCOLL: Where is it gone? Do not ask me. I do not know where it is gone. But I am saying that it was collected and it should have yielded much more revenue than it yielded for Government. Now

this same sector is still around and saying that well, Government, since we are now earning you foreign exchange and we have assumed the role that sugar played in the past, we now can hold you up for ransom and we can say give us what we want. What we do not want is to have an exemption on our accommodation. We want you to impose a tax. Now they asked for a tax because in the absence of it they cannot recover. The unfortunate thing about that particular measure is that Government will now have to seek to refund the hotel sector on a month by month basis. That is the evidence here to show that there will be a refund of taxes to the hotel sector.

Now this hotel sector, with all due respects to the importance that it has assumed, must make its contribution to this economy. This hotel sector is diverse in nature. The VAT will have different effects on the hotel sector depending on where you are located in the chain. If you are luxury, there is a different impact and that is to do with the fact that they get their revenue primarily from a combination of the accommodation and the food and beverage. But small hotels do not have food and beverage to worry about. Sandy Lane has pretended not to be an all inclusive but has been an all inclusive property from its inception. People who go to Sandy Lane now come out of Sandy Lane and go and play their golf which they pay for. They come and spend their time there. It is for all intense and purposes an all inclusive property. It has always been. Let no one fool you about that. So therefore the impact of the VAT varies according to the revenue composition.

Therefore, I am saying that if you had consideration for the small side of the hotel sector, then you could have imposed some special treatment for them if you feel that they are going to suffer as a consequence of it. In the same way that you can impose, you can give a 30 per cent corporation tax in special development areas and the like. You could have done that, but there is no need to complicate the system. In short, what is going to happen as a result of the tax measure is that Government is uncertain, I am telling you that it has to be uncertain, of the level of revenue that it will have to give back to the hoteliers. This is the same sector that should have paid substantially more in taxes but it has not over the years paid substantially more. What they are saying and the argument is this that they are going to be more competitive as a result of being charged a 7½ per cent duty which to all intense and purposes it could be. But on the other hand, it could be the case that they can recover so much funds from Government as a result that they can end up paying next to nothing in terms of their tax. It can happen. We do not know for sure. The truth is that I do not have faith in these figures that I just quoted. Because I know when you want to advertise Barbados is important you say that it is a billion-dollar industry. Million-dollar industry to who, where does it come from, and who sees it? We are not so sure as to the impact.

The issue though is that this should have happened. There should have been an overall reduction in the VAT on food which would have assisted the hoteliers and there should have been the maintenance of an exempt on accommodation. I say this because this is the position that even this set of consultants put forward to Government. These consultants put that position to Government up until the last couple of weeks and Government had in fact gone on that until some struck of genius by some group. I witnessed at the CTO Conference a member of the VAT Unit putting forward the case for exemption and nods of approval from the Prime Minister. Total agreement. This was at Grand Barbados and only a couple of weeks later we saw a shifting of position on this whole question of exemption.

I am saying that those consultants understand that to have an exempt route is to change the effective tax rate on goods that hoteliers can buy such that it differs from that which local consumers can buy. For instance, a hotelier who purchases a television set or any other such thing for his accommodation is going to effectively get that set at a lower rate of tax than a consumer. Nobody can deny that. I mean that is straightforward. You are purchasing one thing and you are having an output tax is another and you are entitled to a refund. It therefore means that the tax you pay on the input is effectively lower. So that is a straightforward case that the tax paid by hoteliers on similar items which consumers will have to pay in Bridgetown will be different and will be lower. It opens up therefore an opportunity for hoteliers to bring all kinds of things into the system unless the administration of it is so tight that you can prevent it. I do not have reason to believe, given the existing system that we have, that there will be that kind of tightness in order to prevent that from happening.

I am saying that once you have gone the route of charging the 7½ per cent that you have effectively created two types of taxation for a similar good based on whether you are a hotelier or a consumer. That ought not to be the case under a VAT system because the real truth about a VAT system is that beyond the whole question of raising revenue is that the system should be non-discriminatory. A VAT system does not discriminate by source and that is why the IADB and IMF and others like it. Because what it is saying that regardless of where a good comes from, CARICOM or Non-CARICOM, you will have to pay the same tax at the port of entry. That is why it is so much appreciated by the international organizations because it fits snug into their concept of trade liberalization. There is politics in this as well and therefore you have to understand it. Do not let us be fooled. The whole removal of a loan of the common external tariff, the removal among tariff barriers, the move towards a value added tax system, the imposition of surtaxes which will be eliminated eventually

constitute all part of the process of trade liberalization. Do not let us be fooled by this whole process. This process, as you well know, you have entertained it and I am saying...

Mr. PRESIDENT: I have not entertained that.

SENATOR C. A. MASCOLL: Sir, I am saying that as an administration which has come to power and has said that it can think for itself and it can take positions, notwithstanding the fact that the previous administration might have taken a position similar, and could have if they wanted to go the other route in relation to the reform of the indirect tax system. So you do not have to justify the marketing of this tax system to the people by suggesting that the DLP also was in favour of it. That is no longer the route. The route is: Do you believe that this tax system constitutes a proper alternative to the existing system? If you do, then go that route but do not come down the line of saying that the DLP supported it so therefore we can now try to market it to the people. That is not the way to go. Yes, change if it is necessary to change.

There are many other areas that I need to address as well. This VAT system therefore is going to make goods coming out of Trinidad and the like more expensive and therefore less competitive when compared to goods coming from Non-CARICOM. It therefore is going to have implications for the whole question of trade between CARICOM. Now mind you the VAT is technically a manufacturer's dream because what it says is that there will be no taxes on your inputs and manufacturers love that. The unfortunate thing about a VAT in this particular environment is that all goods coming out of Non-CARICOM will no longer be paying stamp duty, they will not be paying consumption tax and even the surtax sometimes. Therefore, while the VAT is a manufacturer's dream in terms of how it is structured, it will mean increased competition from Non-CARICOM goods. Now that is good for the consumer too. But having said that, do not give the manufacturers the impression that life is going to be smooth sailing from hereon as a result of a VAT. It is a miscalculation. You cannot do that to them. Soon from now we will be part of NAFTA. Let them know that the whole move to reduce the Common External Tariff, the move to remove non-tariff barriers, the move towards a Value Added Tax system, the removal of surtaxes all constitute evidence that there will be increased competition coming from non-CARICOM goods, especially out of the United States. So when I hear members of the manufacturing sector saying that they got a lot of easement as a result of the \$5 million concessions of December, 1994, and do not understand that the future has little to do with that and more to do with the changing environment, then we are not adequately preparing the manufacturers for the future. The truth is, my friends,

the manufacturers are going to find it extremely difficult to survive in the new environment. They do not have the wherewithal in many cases to do so.

7.15 p.m.

I am also of the view, having said that, that there is no reason why consumers should have been carrying the burden they have carried over the years paying for things like Jeans and T-shirts and other forms of clothing only to protect a few jobs and some other persons' profit lines. We have to take a decision in the country, but having said that, be honest to the extent where you say you would lose jobs in certain areas. You cannot hold on to the fact that you have opened up your market making things cheaper for consumers in the area of clothing and then say that local manufacturers can compete and employ more people. It is contradictory. You cannot do it. What you have then to say is, do we have the expertise to move into other areas of manufacturing? Are we so prepared to be able to do it? But to give them the false hope that they can survive in an environment that is open, it cannot work like that. I have said that the manufacturers looked forward to a VAT on the one hand, but that on the other hand they were going to find it extremely difficult. That is the truth. You cannot hide that.

Aside.

SENATOR C. A. MASCOLL: I am on record as saying that. I like to be clear on these issues. Politics does not determine what I say, especially as it relates to my profession, because my profession does not shift overnight in terms of the implications.

There are of course other areas. There are areas of opportunity in a VAT system for some small businesses. There is no doubt about that. The rule of thumb is this, any good that is presently highly taxed in Barbados where there is the imposition of a Stamp Duty, a Consumption Tax and a surtax, even without the surtax, those goods can come down in value to the extent that small businesses can get in there and compete with the larger established business in Barbados, and that ought to be stated clearly. So to tell me you are setting up Special Development Areas in order to encourage small businesses does not really match too well with the whole question of opportunities available as a result of changing the tax system. Therefore, there are going to be some areas of opportunity. I can immediately think of some. I can think of things I can ask people to get involved in, but I would ask those who want advice to come to me. I no longer intend to give my services for free, so I need now to make the statement that those who are willing to understand need to come to me.

There are some concerns in the VAT legislation, but I will not be pulled into those areas, because those areas are predominantly areas which have very little impact on

very few, and who have the resources to resolve those issues very effectively among themselves and also with those in authority. So when I hear certain discussions pertaining to the whole issue of refunds and that kind of thing, I am not going down that road because they are not pulling me down that road with them. When I hear certain things about the definition of this particular thing, those things are minor in relation to the wider issues under the VAT system. Those are for the accounting firms to get involved in and to write about daily, or after some big debate in the Lower House. I have never seen any one of the accounting firms writing on the issue of food and there is no one among the accountants who can come and deny the issue I have raised in relation to food. But it is not in their interest to put that case for the people of Barbados, it is in their interest to be concerned about whether accommodation is exempted or there is a 7½% tax on it, because they stand to benefit. They represent the people who can give them something, but to come and represent the small people on the basis of an excessive imposition of 15% tax on food that is not their concern. They do not have the least bit of concern for it, because nobody among the consuming public is in a position where it can give them something for their services. That is a matter for them. The same way they treated the last administration in relation to the direct tax form, when they ask me to come out in public and give my position in relation to my view on the hoteliers, I will decide when I make my move. They cannot come and ask me those kinds of questions because they do not have the conscience of the nation at heart.

It is not the politicians, you know, because the truth about this debate and about the VAT is that, as I said before, not even the politicians seem to understand it very well. I am serious. It was exemplified here and in earlier debates. I am very serious on that. They are in a position, the interest groups, to manipulate the system and to get individuals to come down their line. It cannot be fair. I have felt very strongly about these issues for a long time and never had the opportunity to get the final say. Unfortunately, getting the final say is a matter of where you are located in the system, but these are very critical concerns. I am saying there will be certain impacts that will result between now and January. There is no doubt that it is in the interest of businesses in Barbados to reduce stocks between now and January. It is in their interest, regardless of how well they think the Christmas season might be. The fact that you are going to pay double taxation on commodities means you should be doing that all like now. So I understand some of the difficulties that are involved in the implementation of the Value Added Tax system.

This system *in toto* will mean certain other things. Do not deny it to the people of Barbados, declare and tell them that the electricity bill will be higher, the telephone

bill will be higher. When you go on the television do not only cite examples where there will be a reduction in the price of commodities. When you go on your television set, do not give the impression or only cite examples where there will be a reduction of commodities. Like refrigerators. Who purchases a refrigerator every day? You come on your television set and give the impression that the VAT would only mean a reduction in the cost of refrigerators and stoves when there is a more pressing issue to be dealt with.

7.25 p.m.

What about the cost of food? It is extremely critical. I feel strongly about it. What about the cost of food? There is no reason why we should not have a situation where that is represented by the people with the same figure that the tourism represented themselves on this issue. Where do we go to get that sort of representation for the people?

What I am saying, it sounds political, but it is deemed to be political. I say that there will be an increase cost of food because of 15% VAT. Everybody says, "Well Clyde Mascoll is an Opposition politician, so why take him seriously?" My thing though...

Asides.

SENATOR C. A. MASCOLL: My thing though, next year, 1997 in January, when the thing has its impact, I am a little concerned about the possible reaction in the public.

Asides.

SENATOR C. A. MASCOLL: I am serious. As I explained, there will be a fairly significant increase in the cost of food. Now, mind you, Sir, when this VAT was first conceptualised, the last administration had, in fact, put aside \$21 to \$25 million in a fund to deal with those people who would be affected negatively by the VAT. The difficulty there, was in finding a way in distributing the portion of the pie. How do you do that? On what basis do you determine that a family has been disadvantage? For sure, we know that there would have been one vulnerable group who we can very readily identify, the pensioners. Therefore, rather than spend 4 or 5 months trying to produce a document which does not clearly assist the impact of VAT, we could have gone the route of trying to understand what impact this would have on pensioners in Barbados.

We spent a whole set of time using statistical packages called Statistical Packages for Social Scientists, SPSS, and doing all kind of foolishness, rather than dealing with the whole question of how VAT would impact on the food prices and other prices in Barbados.

Asides.

SENATOR C. A. MASCOLL: I am saying that pensioners are going to be adversely affected because they spend a fair amount on food. They spend on telephones, they spend on electricity, and they spend on other areas. Those pensioners who still put their hair in nice styles will have to pay VAT for the cosmetic thing. You have to for services. Even to get a hair cut, unless you go to a barber underneath the tree, you are going to pay VAT. So there could have been some consideration for that vulnerable group. The last administration put aside \$25 million, as I said, to take care of people likely to be affected by VAT.

I am saying to have waited this long for a document this size could not have been important in the final decision that was made by Government. More importantly, if it were a serious document, there is no way that in the Executive Summary that it would have accepted the 2 rates of 15% and 16%. I have to respect the work when it is good. I have to be critical when the work does not meet the objectives that it set out to meet, and that was not done in this particular document.

I am saying that the problem with it is that they did not have the information to make the final determination on these issues. I have said it to the persons who worked on the document in front their face at a recent seminar. I am not taking it here in the Senate. I have said it in front their face at a recent seminar, "Fellows you took a while to produce this but I know you had difficulty because of the lack of data, and therefore there is not much I can say for the findings." I have said that. We did not have the data either. The last administration did not have the data to make certain decisions, and the data is not available even at this time, even as we speak.

Therefore, the problems that they encountered are the problems that people encountered in previous times. If it were not the case there would not have been a full scale acceptance of the 15% rate. There would have been some redoing, revaluing of the VAT base, some revaluing of the exemption of the zero-rated items, some consideration, and therefore it is more than likely that if the former work done on this issue was so bad, if it was so bad, why it is that this document here still uses 15% rate? Why is it? There has to be some consideration. Why is it that the work was so bad, that you had to wait so long because you did not accept the previous administration's position only to conclude that 15% is still what you are going to use? The time could have been better spent looking through the impact of the impact on the people.

There are a number of issues, as I said earlier, but this is really the final hour. Not just in terms of time tonight, but this has already been decided. So for me to discuss the issues really is a futile exercise. I am only saying that those issues, which I have put before this

Senate, are issues which I have certain feel and feeling for, and therefore I am satisfied that they now constitute part of the history or part of the documents of the Senate, and therefore they are there to last forever. Those who want to evaluate the VAT when whatever happens, happens up ahead, would know that Clyde Mascoll shared this view before he got in politics, he shares it now, and he will share it in the future that there are some serious difficulties in understanding why politicians, in relation to this VAT, did not give greater consideration to the plight that people would find themselves in as a result of putting a 15% tax on food, when it is very obvious that VAT would constitute an excessive burden.

I therefore, Sir, say it, while it is known my position on the VAT, because it simplifies the system. I have never shared the view or will never share the view, that the initial implementation of the VAT should have been accompanied by a 15% tax on food. I have my reservations about it. So far out there in the society it has not spurred because it has not yet impacted, but by next year, January down into March, we will begin to see precisely what I am saying that this has to be revisited at some point in time.

I thank you, Sir.

SUSPENSION

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Sitting be suspended until Wednesday, August 28, 1996 at 11.00 a.m.

Mr. PRESIDENT: The question is that this Sitting be now suspended until Wednesday, August 28, 1996 at 11.00 a.m.

SENATOR S. P. BERNSTEIN: Mr. President, unfortunately, I would be out of the island and I would beg that permission be given to make a brief presentation on the Value Added Tax. It has been a tax that I have advocated for some time, particularly consumption tax and stamp duties, and I would just like to make a brief presentation if you would allow me, Sir, and if the rest of our colleagues in this Honourable Chamber will do so. 7.35 p.m.

Every time I have gotten the opportunity to speak about taxes in Barbados I always got up and criticized the high consumption tax and stamp duties that we pay in doing business in this country. I have always criticized it. Everybody knows about it and therefore I will just have to say today that I have to support this Value Added Tax.

Now, having said that, we all know that the Value Added Tax, as pointed out earlier, is taking the high taxes from a lot of commodities and broadening the base so that, hopefully, the prices will be lower to the consumer in most

cases. I say most cases because the Value Added Tax basically is a multi-staged Value Added Tax. It goes, as pointed out earlier, from when you import to the wholesaler, to the next and next. By the time it gets to the consumer the cost is going to be fairly high.

Essentially, what we are doing, Sir, as I said, is broadening the base but there are a few comments I would like to make. I can tell you that it is very difficult to go through this whole exercise in the limited time allotted to me, I cannot go through in detail so I would just like to point out a few areas I would like to comment on and offer some advice where possible.

I went to a lot of seminars. I even went to one seminar where it was addressed by a Trinidadian group. My question to them at the end of that seminar was, what impact did it have on the bottom line? They started to laugh and they could not answer. The reason why they could not answer was because the same year that Value Added Tax was introduced to Trinidad, they had a coup so they had lost everything and therefore they could not ascertain what impact it had.

Aside.

SENATOR S. P. BERNSTEIN: They lost everything by way of pilferage and stealing.

Sir, I want to put to rest once and for all this notion, or nonsense, that the rich will get richer when this VAT is introduced. It is total nonsense because what is basically happening is that during the transitional phase, come January 1, 1997, we will not be given any tax credits on our inventories. Therefore, basically what will be happening is we will be having a tax upon a tax on all the high duties we would have paid. On top of the consumption tax and stamp duties we now have to pay a 15 per cent tax. Any business worth its salt is not going to pass on that to the consumer because they are not going to sell. Therefore, they are going to have to absorb it.

When I say the rich will get richer and it is nonsense, you take a store like Cave Shepherd. If they have \$6 million in stock with consumption tax and stamp duty, they will have to absorb something like \$900 000. You take a small business with, say, \$400 000 in stock and you are looking at \$60 000 they have to absorb so it is nonsense to say that the rich will get richer because the transitional phase has a massive impact, as I see it, a tax upon a tax.

The business sector has asked the Government to see if they can give them a tax credit and the Government found it difficult to do so but as was pointed out to me just recently that a tax credit could easily been given by taking all those corporations that send in their balance sheets to the Inland Revenue, taking an average on the last three years of their stock and give them a credit accordingly.

It is hoped that the market forces here and competition will reduce the goods and make them a little bit cheaper for the consumer.

Let me warn, Sir, that the corporation taxes for 1998/99 and onwards are going to be practical zero for most corporations. It also kills the suitcase trade. I am happy for that because the legitimate businesses will then be able to do a little bit better.

Value Added Tax had to be introduced at some point in the calendar year and the Prime Minister, I think, acted on advice when he decided to make it effective on January. That is good for the economists and the professionals but I think it is the worst timing for retailers because we need to have stocks at Christmas to enjoy a good Christmas and by the end of the year we have to be out of stock completely in order not to absorb this 15 per cent so we have been caught between a rock and a hard place. The timing has been very bad.

Aside.

SENATOR S. P. BERNSTEIN: April 30 or September would have been a much better time. What has happened here it has also dampened sales on higher purchase items. Higher purchase items will suffer the latter part of this year because the GIS is putting out a massive programme showing how fridges, stoves and everything else is going to be cheaper and therefore they are going to be suffering somewhat.

Sir, the local manufacturers cannot compete in an open market when you have to import from Taiwan, Hong Kong, the Far East and those sort of places. I would predict that there will have massive layoffs in the garment industry particularly. Thousands of jobs are going to be lost in the garment industry because they will not be able to compete as the surcharges keep reducing between now and 1999. What will happen is they will become good importers and, as I said earlier, the competition from CARICOM, particularly Trinidad, Guyana and Jamaica where the currency is a lot cheaper, Barbados is going to have a lot of problems in competing.

Sir, when you look at this Bill, you look at the penalties. The penalties here are very harsh. They are severe. What the penalties state are that for every commodity that is purchased for \$20 you must give a bill. If the business refuses to give a bill, they are liable to a fine of \$5 000 or one year imprisonment. VAT has to work so I have no quarrel with that. Where I have a quarrel is that the consumer, John Public, if he does not report that he did not get a bill, he is liable to 6 months in prison or \$2 500 and that is dangerous. But then I ask, pray tell me how the VAT office is going to police that and implement the latter? That is going to be a little bit difficult. But the consumer is liable, and never forget it. It is in here.

Sir, there are a few other areas I want to touch on. It has to do with businesses who are calculating Value Added Tax. Those who have VAT inclusive should not pay 15 per cent on the total. They have to pay a 3/23rd part of the total because the VAT is inclusive already.

Those companies who pay management fees must not pay it annually, they must pay it monthly because if you fail to pay it every given month, you are going to have a problem. They are going to charge you interest for each month as a penalty if you do not pay in. These are little things that ought to come to light.

Insurance companies, Sir, according to this Bill are supposed to withhold the tax payable by the registrant in respect of a supply. What has happened is, if a place burns down and you have goods you paid VAT on, they are going to deduct the 15 per cent on the amount they are paying to you for VAT. How does one ascertain to take off 15 per cent of a business that has both VAT and non VAT items? That is another question.
7.45 p.m.

This is something they have to look out for. Insurance companies will not be giving you the full amount on your insurances. Even householders will have 15% taken out. Then comes, Sir, the printing of entertainment tickets. In this section 34(8) it says that for entertainment, if you are having a function or any sort of entertainment and you print tickets you must pay 15% on the printed tickets. Whether you sell one, two or five, whatever you print you must pay to the Government 15%.

Then, Sir, comes an amendment here that says in clause 48 add the following new sub-clause 3 thereof:

"Notwithstanding subsections (1) and (2), input tax paid by a registrant in acquiring goods and services for the construction of a new building or the alteration or extension of an existing building is not allowable."

This, Sir, will have a serious effect on businesses that will want to get back their VAT and on hotels and so on that want to expand or renovate or to even build. Householders will not get back their VAT but businesses and hoteliers and so on would like to get back their VAT. The Hotels Aids Act will cover the hotels but some businesses will suffer.

Then comes another point, that is the point of charity. Sir, the Third Schedule says, goods imported in paragraphs 1 to 8, 14, 19 to 23, 26, 28, 29, 32 and 69 of Part II-B of the Customs Tariff, subject to such conditions as may be prescribed by regulation or order made under the Customs Act, other than goods enumerated in subsection 8(2) or (3) thereof.

Now, Sir, the thing about this is that when you check the Customs Tariff Act you will see that what I am about to say is that the people who are enjoying duty free status right now will have to pay 15% tax and it affects some of the following: It affects churches. It affects the Barbados museum. It affects St. John's Ambulance. It affects the Red Cross. It affects the RSPCA, the mentally retarded and the Thelma Vaughn Home. These are all areas where they enjoy duty free status at this point in time but now will be subject to VAT.

Sir, I heard politicians in the Other Place talk about what effect the value added tax is going to have on the lower economic strata of the society. This was the question posed by politicians and it applies to more than 95% of the people of Barbados and they do not pay tax at the present time. The majority of them are under \$1 300 and do not file income tax.

Aside.

SENATOR S. P. BERNSTEIN: A large percentage of the people at the bottom of the ladder who are getting \$1 300 do not file returns and what happens, as Senator Mascoll pointed out, is that the value added tax is going to have an effect on the poor people of this country. It is hoped that the prices would be reduced but as you know, Sir, and I know, at the end of the day prices will not go down in proportion to what the expenses are going to be and it is going to have a serious effect on the masses of this country.

Sir, I have asked in the Estimates and I asked again when they gave the meagre 2½% to the pensioners, what effect is value added tax going to have on the pensioners. The Honourable Prime Minister has made some statements in the Lower House about it. It has to be addressed. But more than anything else value added tax is working in other countries and there is no reason why it cannot work in Barbados.

More than anything else, Sir, the public relations campaign has to be excellent. There is no room for the public relations being just good. It has to be excellent. In order for it to work everybody has to participate. All the business people have to participate and remit the value added tax. They should not run it like they run the National Insurance Scheme. The National Insurance Scheme sees business people from time to time running it into great difficulty by not paying. There is a problem with that and while I am at that, Sir, I would like to advise a lot of small businesses who have difficulty with controlling their cash flows, that they

will be collecting the value added tax for two months, because it is collected on a two-month basis. They will be collecting for two months plus 21 days before it is remitted and they will be handling a lot of cash and when the 21st of the third month comes and they are not able to pay, not that they did not want to pay, they are not able to pay because they have had other serious constraints on their cash flow, then they run themselves into difficulty. I would like to advise those people that they should set up a value added tax account, especially for those people who cannot manage their funds and as soon as they receive the value added tax, pay it into that account so that at the 21st of the third month they can pay for the two previous months.

Sir, I honestly believe that the value added tax is going to collect more money than most people anticipate. I would like, Sir, if this happens that the Government of the day would look after the pensioners. I would like the Government, Sir, if they have a surplus to look after the pensioners and aged of this country. If they have more surplus, reduce land tax. If they have more surplus reduce income tax and then you will win the Government. But, Sir, what happens if it does not work? Only time will tell but it could cost the Government. In 1974-75 a simple 5% sales tax was introduced, the Opposition of the day ran around and called it Barrow's tax. It cost Barrow the Government. Value Added Tax could cost this Government also. Only time will tell, Sir. I appreciate you giving me the few minutes to say what I had to say. I thank all of you, Sir. Thank you very much.

7.55 p.m.

SENATOR The HON. R. R. FARLEY: Mr. President, I beg to move that further consideration of this Bill be postponed.

The question that further consideration of the Bill be postponed was put to the Senate and agreed to.

SUSPENSION OF SITTING

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Sitting be suspended until 11:00 a.m. on Wednesday, August 28, 1996.

The question that this sitting be suspended until Wednesday, August 28, 1996 at 11:00 a.m. was put to the Senate and agreed to, and Mr. PRESIDENT suspended the Sitting accordingly.

7.57 p.m.

RESUMPTION

Mr. DEPUTY PRESIDENT: This Sitting is resumed.

ORDER NO. 3 – THE VALUE ADDED
TAX, BILL, 1996

SENATOR T. E. BARKER: Mr. President, this Chamber is asked to support the Value Added Tax Bill and I rise, Sir, to give my wholehearted support to this piece of legislation which, Sir, in coming years will revolutionise the indirect tax system in Barbados.

Sir, as we all know, part of the problem with the indirect tax system is that there are too many taxes on goods and very little tax on services and we have become, over the years, Sir, a service oriented economy and to exclude services to the effect that they are exempt from indirect taxation means that goods will bear the brunt of the tax effort in the economy. As a result, Sir, we have some extraordinarily high taxes, especially on consumer items, fridges, stoves, washing machines, cars and such like and the result is that it is causing a serious burden on people as they seek to improve their standard of living. Not only that, Sir, but the export sector find themselves in serious difficulty as it relates to taxes.

Sir, if you will remember when we took office in 1994 we found a situation where the manufacturers and the agricultural sector had to pay a lot of tax on their inputs. We remedied the situation somewhat by removing tax on packaging material and inputs but the problem still remained, Sir, that the taxes on services did not reflect the nature and character of the Barbados economy. So, Sir, the value added tax which as the Honourable Leader of the Senate mentioned was under discussion since the 1970s. There is nothing new. For almost 20 years Barbados was toying with the idea of radically changing the indirect tax system in Barbados. What we are seeing, Sir, is a culmination of 20 years of thought, some effort and a lot of analysis. So I want to assure this Honourable Chamber that the last administration had proposed by April of last year, 1995, the value added tax would have been in place but when we came into office we found that a lot of the preparatory work still had to be done and we felt that this was so radical a change that unless proper analysis is done that we could run into trouble. Therefore, Sir, we made sure that we got experts, and they are experts, some local and one from the International Monetary Fund to carry out detailed work on the value added tax and carry out computer simulations on the likely effect of the tax on the various sectors of the economy.

Sir, what has happened is that now we have presented and the rates we have chosen are the result of scientific, economic and accounting analysis, Senator Mascoll would agree with me because he knows the gentlemen concerned

and he knows their ability and their work that is why, Sir, I was a little bit distraught when he tried to pour scorn on their efforts. Sir, I know that when he reflects some more he will, in his heart, apologise to the gentlemen concerned for treating their work with such scant respect.

Sir, the value added tax has not been put on the people of Barbados without good thought, sound reasoning and proper analysis. That is why, Sir, we did not want to implement it until we were ready. This, Sir, is the hallmark of proper planning and proper administration and of a kind that Senator Mascoll would not know about because when he was advising the Opposition Party I do not see the record of him advising the then Government. For a long time he was the paid adviser. Sir, when he was paid to advise them, paid by the taxpayers of this country he did not advise them and now, Sir, he wants to become an unofficial adviser. Sir, Senator Mascoll will have his proper place in history when the events of 1990 are properly analysed.

Sir, be that as it may, he made two points that I think this Honourable Chamber should address. Sir, the first point he made is that food should be treated differently under the VAT by paying a lower VAT rate for food. The second point, Sir, is that he disagrees with our treatment of hotel accommodation. Sir, he is taking the IMF line, true to form, that it should be exempted. So, Sir, I want to hone in on these two points and set the tone for what is an enlightening and meaningful debate on the value added tax.

Sir, the position with food can be emotive but, Sir, we must bear in mind that the average household in Barbados spends less than 40% of their income on food. That is a statistical fact that the average household in Barbados spends less than 40% of his income on food. So, Sir, Senator Mascoll will know about something called Ingle's law which basically says that the higher the income the proportion of money spent on food declines.

The point I am making, Sir, is that he must not overstate the case for food because do not forget, Sir, the VAT is replacing about 10 other taxes and the whole idea is that the revenue to be derived from the tax must be approximately revenue that is given up as a result of the abolition of the other 11 taxes because, Sir, as you will appreciate Government still has schools to run, hospitals to maintain and roads to build and maintain and so on. So Government has to ensure that at the end of the day the introduction of a VAT does not put it in a position where it does not have the revenue with which to do the essential things it is mandated to do as a Government. Therefore, Sir, if you lower the VAT rate on food then there has to be a consequential increase in the VAT rate for the other items to make sure that the revenue position is maintained. Sir, but the other items constitute 60% of the expenditure of the average household. Therefore, Sir, it is easy

to say have a lower VAT on food but the money has to be derived from some other source. Sir, I maintain that even with the 15% VAT on food the price of food is going to be lower than it is presently and, Sir, that is a controvertible fact and if the Honourable Senator would do his analysis he will find out that there are only a very few items which will increase in price but the majority of items, especially imported food will see a reduction in price. Sir, I have done my homework.

11.10 a.m.

Aside.

Mr. DEPUTY PRESIDENT: I wonder if Senator Mascoll will seek to refrain from those comments. I would like to ask him to look at Standing Order 37. Will the Honourable Member please continue.

SENATOR T. E. BARKER: Thank you, Sir. Last week the Honourable Member said that corned beef is going to go up in price. On that occasion I could not tell him because I did not have the facts, but I knew that he was misleading the Senate. The data that I subsequently received shows that the price of corned beef will be reduced as a result of the imposition of tax. Because corned beef at present has an import duty of 5 per cent and a stamp duty of 20 per cent.

Aside.

SENATOR T. E. BARKER: Sir, I will repeat for the Honourable Senator's benefit because he has a problem with numbers. Corned beef at present carries an import duty of 5 per cent and a stamp duty of 20 per cent. The import duty will remain as it is because the information on the VAT does not affect the import duties. Therefore, we are replacing a stamp duty of 20 per cent by a VAT of 15 per cent.

Aside.

Mr. DEPUTY PRESIDENT: Will Senator Mascoll stop interrupting this Chamber? If he continues to do that, I will have to exercise the power of the Chair.

SENATOR T. E. BARKER: Sir, we have done an analysis and we have included a wholesale mark-up of 20 per cent and a retail mark-up of 25 per cent which is the normal in the food sector. We have done our homework and we have found that instead of paying stamp duty of 20 per cent, when we take the VAT and we even put VAT on the mark-up, as it should be done because obviously the wholesaler and the retailer will have to charge VAT on their mark-up, that the retail price of a tin of corned beef should be reduced from \$3.25 to \$3.15. So the argument about corned beef is flawed and when it comes to figures

Senator Mascoll should not get involved. He has a problem with figures. He has demonstrated that on many occasions in this Honourable Chamber that when it comes to figures that he cannot figure and percentage is even worse. Not only that but we know imported lamb is an important part of his premise especially among working class people. We find that the price per pound for lamb should be reduced from \$3.48 to \$3.34 as a result of the VAT because lamb does not carry any import duty. It just carries a 20 per cent stamp duty. Sir, the facts are here that corned beef is going to be reduced in price and lamb is going to be reduced in price and not only that but things like salt beef, pig tails and all of those things as a result of the VAT.

Sir, I want to get the message across that VAT is not an additional tax. VAT replaces existing taxes. If you are replacing a 20 per cent stamp duty by a 15 per cent VAT, then the economics of it immediately hits you that there should be some reduction in price. Things like fish will not be affected because the fish vendor in the fish market in Bridgetown or Oistins is not going to be Vatable. So the price of fish is not going to be affected. The price of vegetables that the fellow brings around on Saturday, and a lot of that goes on in the country and in Baxter's Road from the hawker, will not be affected. If anything, the farmer should be in a position where he could charge less because VAT is not chargeable on things like fertilizers and pesticides and so on or water. So his inputs in farming will be reduced as a result of the implementation of the VAT. He should be in a position to pass on some of the savings to the consumer. Therefore, it is only when you go to the supermarket to buy your vegetables that you are going to pay VAT. But what will happen is that we will see the small trader get an ease. We are very conscious of the fact that we have to make sure that the small businessman is protected. What may happen is that we may get a switch in buying patterns where in order to get away from the VAT a lot of people will buy from the wayside vendor. So VAT should be to their benefit.

Sir, if I may go on, we expect that milk will increase in price as a result of VAT, both local and CARICOM milk. Salt fish will decrease in price and that will be good news for the fishcake lovers like myself. Imported lamb, as we said, will decrease in price. Imported cheese will decrease in price. Butter and eggs will decrease if you buy eggs from the supermarket, but if you buy from the small producer he will not pay VAT on his feed so therefore his price should not really increase. Margarine will show an increase but canned vegetables will show a decrease and canned soup will also show a decrease. Canned meat will show a decrease but we expect flour and bread to increase in price. So what we are seeing is that some items will increase and some will decrease. But when we do the overall analysis, especially when consumers take advantage and adjust their spending patterns, we see that

overall food will decline as a result of the implementation of the VAT even at 15 per cent. While we acknowledge that we have to treat food properly because 40 per cent of the expenditure is on food and more so the lower paid will tend to spend more, the VAT will show a decline in the price of food.

I want this message to be broadcast, Sir, because the Opposition – Democratic Labour Party is trying to convince people that prices will increase. They want to create a mind set so that when one goes to the supermarket and sees the price has increased they will not then challenge the proprietor. Sir, we should be doing the opposite in saying that as a result of VAT we can expect a small decrease in prices. So that when you go to the supermarket you will then be conditioned to expect the decrease. But what Senator Mascoll and his ilk are doing is to condition us to expect a price increase. Sir, I think that is reprehensible and they should stop doing that when the evidence is there that when you remove a 21 per cent tax on fruit juices from Trinidad or wherever, because all of the canned juices are subject to a 21 per cent tax, and then you put on a 15 per cent tax even it may be compounded as a result of the mark-up and so on it must be a bit less as a result of the 15 per cent imposition. That is clear and no amount of whimpering will hide the fact that the Senator did not do his analysis.
11.20 a.m.

His numbers are wrong and he should apologise to the people for misleading them. That is clear. A 21% tax is coming off, a 15% tax is going on. Why should prices go up? That would be extra new maths.

We are aware, Sir, that electricity bills and telephone bills will go up. This was never hidden, it was always stated that there will be a VAT on utilities. But we just saw that there is to be a slight reduction in the price of food, so you win on one side and you gain on the other side. When a person goes to buy a refrigerator. . . .

Aside.

SENATOR T. E. BARKER: once in 15 years, or a stove once in 10 years, or a washing machine once in 15 years – it is adding up, Sir – or a clothes iron once in five years, or a lawn mower once in 15 years, it might be once in 15 years but this year it might be a fridge, next few years it might be a stove, and so on, it goes in cycles, but the point is that on a refrigerator landed here for \$1 100 we expect to have a saving in tax of over \$500. That is what our analysis is showing. On a stove costing approximately the same amount, we expect a saving of over \$250. On a clothes iron we expect a saving of \$15, and these things add up. Do not forget that in Barbados our

standard of living is such that most houses have fridges and gas stoves, so do not let anybody fool you that these items are reserved for the rich, we have gone past that stage. In almost every house we have these conveniences and we want it to be so because we want to enhance at least the material standard of living of our people. We are seeing on one hand electricity bills and telephone bills increasing, but on the other hand when you go to buy what they call your big ticket items you will see a hefty reduction to compensate.

Sir, the point must be made that the Government is not getting any more revenue from the tax. It is just a way of eliminating a lot of taxes and replacing them by one tax and removing some of the harmful effects of the present tax system, especially as it impacts on the manufacturing and the agricultural sectors.

I now want to briefly move on to the point about the hotel accommodation sector. The IMF wanted the last Government to exempt the hotel sector. For the benefit of Honourable Members, "exempt" means that there will be no tax on the accommodation, but any input the hotel makes in providing that accommodation and pays VAT on it the VAT will not be refundable. What that means is that when the hotel goes to buy a sheet and a set of pillows for a room, included in that is a tax. If hotel accommodation is exempted, when the guest comes and pays \$100 or whatever it is for the room for the night he will pay no tax on that, but the hotel, which had previously bought the sheets and pillow cases and would have paid tax, would not be able to recover the tax it has paid. We know from our experience that in almost every country in the world there is a tax on hotel accommodation, so why should Barbados be any different? We recognise that we are in a competitive world and that the visitor does not have to come to Barbados, he can go to St. Lucia or wherever. We may feel that we have a good product – yes, we do have a good product – but we do not have the only product in the world, therefore we have to ensure that our product is competitive as far as price is concerned. Therefore, Sir, we are not charging the full 15% on hotel accommodation, but we are saying that the visitors who use our services, who use our roads and so on must pay some tax, so we charge them a tax at half the rate, 7½%. As a result of doing that it means that when the hotelier goes and buys his sheets and pillow cases, or whatever he buys for the room, any VAT he paid to the store he can recover. That would put the hotels in a competitive situation.

It must be stated, Sir, that Barbados does not only have hotels like Sandy Lane, but 60% of our hotels are small hotels, especially on the south coast. A lot of our hotels and apartments are small and operate at the margin. They are operating in a very perilous financial situation. A lot of them are heavily in debt, albeit as a result of some of the misguided policies of the last administration.

They have to remain competitive and Barbados needs those small hotels in order to maintain the required number of hotel beds. If we do not give them relief, what is going to happen? The same small man that Senator Mascoll is talking about would be the first one to suffer. If we do not give them relief the Sandy Lanes and Heywoods would still be operating, but the small hotels, which are the more vulnerable in the sector, would be the first ones to go. If we are giving relief to the hotel sector, we are protecting the jobs of our people, we are protecting the investment of our people. That is what we are protecting, so we do not make any apologies for giving some relief to the hotel sector.

Sir, if you can remember, I think it was about 1991 or 1992, when Senator Mascoll was the adviser, they put a luxury tax on the hotels. Drinking glasses got hit with a luxury tax, so no wonder the Honourable Senator is complaining about the relief we give to the hotel sector. Their attitude was to whip them out and if it were not for a change in Government they would have succeeded. So we make no apologies for giving some relief to the hotel sector, because we need them if our tourism is to grow to the extent that we would like it to and provide jobs for our people.

That decision to impose the 7½% is taken in the best interest of Barbados, in the best interest of the hoteliers, of the workers and of the economy in general. We hope that the system will not be in any way abused. As Senator Mascoll was saying, the hotel and entertainment tax has serious problems in it, so we are removing that and instituting a system which should make it more amenable to proper scrutiny. So all in all there is a lot for which we can commend this legislation. It is seeking to right wrongs.
11.30 a.m.

Our tax system had been cruelly abused. I remember, Sir, when we left office in 1986 the base rate for consumption tax was 5%. When we counted back, in 1994, the base rate was 21%, and that is a matter of historical record that within 8 years the then Government increased the C Tax four fold from a base rate of 5% to a base rate of 21%. That caused endless problems in this economy.

We are saying, Sir, we need to revamp the tax system, make it more equitable and at the same time give the exports sector the boost that they need because, Sir, exports now will be zero-rated which means that all the inputs that go into the making of the exports will be recovered. Hence, we feel that the export sector will get another little boost and all in all the revamp of the system will redound to the benefit of the economy.

Sir, I support this Bill noting that the effect on food prices which is something that should concern us should be

positive. We should see a slight reduction in food prices to pay for the expected increase in utilities. The real savings will come when we go for what we call the big ticket durable items. So the tax has a lot to commend it. That's why 60 countries in the world are using this tax and as time goes on more countries will see this as the way to go in terms of indirect taxation.

So, Sir, I want to commend this legislation and ask that this Honourable Chamber give it its fullest support. Thank you.

SENATOR Mrs. V. J. DAVIS: Mr. President, I just have a few words to say on the legislation for the Value Added Tax Bill, 1995. I noted that Senator Barker did not of course mention the plight of pensioners but I also note that the Prime Minister has allocated \$150 000 to carry out a survey on the effects of VAT on pensioners. All I want to say at this point is that the Barbados Association of Retired Persons headed by the eminent Barbadian, Sir Carlyle Burton, has made the point that he would like the Barbados Association of Retired Persons to be represented when this money that is allocated to investigate the effects of VAT on pensioners. All I am doing this morning is saying that I would ask that the Government pay special attention to the input of BARP on the effects of VAT on pensioners because pensioners have peculiar needs. Pensioners have to be concerned because of the fact of their years and things which we don't normally hear people talk about, things like dentures and eye glasses which affect older people. The effect of utilities rates on pensioners, the effect on food. So all we hear from Senator Barker we are all still a bit skeptical because pensioners have a fixed amount of money that they have to live and work with in terms of living their lives.

So what I am doing this morning is making a clear plea that the Executive of the Barbados Association of Retired Persons be represented with this set of people who are going to study the effect of VAT on pensioners. Thank you.

SENATOR T. E. BARKER: On a point of elucidation. Dental services are not subject to VAT and this is found in the Appendix. So the Honourable Senator's concern while well taken is taken care of because these services are not subject to VAT.

SENATOR N. P. WELCH: Mr. President, I want to make my contribution to this debate and to state up front that a country which is subject to 11 different taxes must be considered to be overtaxed. We have a problem definitely of too many taxes. The other problem within the country which calls for the sort of tax reform that this VAT Bill seeks to address is the fact that the base of taxation is quite narrow and the burden of

providing money for a country to allow its citizens to have the standard of living that it has become accustomed to is such that if we really want to see an equitable distribution of the way the tax burden is shared we need to look at some form of tax reform.

The other thing is that if you examine the consumption tax it has a number of rates, several rates, and I think it becomes a bit cumbersome in the administration of such a tax when you have to deal with rates varying about 20%, in some cases up to 89%, and almost every individual item having its own level of consumption tax. I think this Value Added Tax Bill seeks to bring about some measure of reform that would simplify the way we go about looking at the whole idea of taxes in this country. Too much time has been spent by the officials of the Ministry of Finance and the Prime Minister in addressing issues that, in my opinion, do not merit persons having to take their precious time to deal with matters like who should be exempt from this or who should not be exempt, when the country needs at this point in time to focus on more important matters like tax management and fiscal planning which can have serious implications for the future development of the island.

I am sure that this would have been one of the major ideas that would have influenced the move towards the VAT tax. I think that most Barbadians, the former Administration as well as this Administration, recognised that we could not continue to do business in this way and that there was need for tax reform. The thinking behind the introduction of the VAT recognises the fact that the whole landscape of Barbados changed over the last few years where manufacturing now contributes much less to GDP than services but the tax has been structured in such a way that the burden falls more heavily on manufacturing than on services. In my opinion, the time is ripe that with the services sector growing and with the whole development of medical services, an opportunity exists now for them to share the burden of taxes and this opportunity is being grasped by the introduction of a value added tax.

We must recognise that the whole issue of manufacturing and tourism which has been two of the major contributors to earnings in this country have borne a disproportionate rate of taxes compared to other revenue earning areas in the economy.

11.40 a.m.

I think also that it is important that we examine this, because what would eventually happen is that we would tax manufacturing and, perhaps, tax tourism out of existence. Then we would have no where to turn for the taxes that we need for the kind of social services that we provide in this country.

Mr. President, I want to turn to a couple comments that were made earlier as it relates to the whole idea of pensioners. We recognise in this party, to some extent pensions would be disadvantaged by the Value Added Tax. The Prime Minister has put aside some money for a study to be conducted to look at the impact of VAT on pensions. Perhaps the most important impact that VAT would have, would be the whole issue of utilities, particularly, electricity and the telephone. This Government is committed to the pensioners. It is also a caring Government, and would not bring a tax to bear on the pensioners of Barbados without putting in place mechanisms, to assist the pensioners, particularly those pensioners who live on their own. You cannot expect a Government to give support to pensioners who have working relatives living with them. I do not think that would be fair, and in any case pensioners are given help with utilities, even at the present time when they cannot afford to pay them. This is only done in circumstances when they live alone, Sir. So I am not even particularly worried about that because I am sure this government will look after these pensioners.

I cannot think of a country that has introduced VAT and has had a differential rate on food. In Trinidad, after the Panday Government took over, they put some basic items at a lower rate of VAT than had been the initial intention. We must understand that the situation in Trinidad was such that they had suffered a severe devaluation, and particularly in the areas where foodstuffs had to be imported. Obviously they had to look for more foreign exchange to pay for the same goods that were coming into the island before VAT, but at the same time the salaries and wages of people in Trinidad did not rise to the same extent that the valuation affected the price of imported goods.

We in Barbados have a distinct advantage because we did not have the devastating effect of a devaluation, preceding the VAT which would have resulted in a severe cost of living increase with the introduction of the VAT. So I do not think that this is an area that we need to burden ourselves too much with.

More than that I cannot think of a food item in Barbados, at least an imported food item, that is not subject to some form of tax or the other. Even what we consider to be basic commodities like rice, sugar and potatoes, currently carry a 10% tax. When we look at the way all these taxes and duties are calculated, where you have a cascading compounding effect, you will recognise that the introduction of VAT, in more cases than not, lead to substantial reductions in the cost of foodstuffs, and to this extent I think that Barbadians have nothing to fear.

There is a concern of mine, however, as a consumer of foods. I have been visiting supermarkets quite

recently and seeing the prices of basic commodities increasing. I am wondering if it is not an effort by people in the retail sector to artificially inflate the retail price of goods at this point in time. So that at the implementation date there are artificially high prices on goods, so that the expected reduction in the cost of goods after VAT might not be realised. In fact the post VAT prices would bear no relationship to where they ought to have been if you calculated a straight VAT without this "artificial pre-VAT inflation of prices," at this point in time, onto the cost of goods and services. This is a concern that I have.

This concern brings me, Mr. President, to a situation where I think that the time, has come, in Barbados for a consumer watch dog organisation. I have a particular concern that at the cutoff point where the consumption taxes and stamp duties would be thrown out the door and the VAT comes in, I am not sure how the mark up policy of retailers and some wholesalers would be determined. Will they at January 1 decide to absorb the consumption taxes and stamp duties that they had paid for the goods before, and have all the goods within their supermarkets at a base mark up that reflects only VAT? Or will they decide to have a mix which says, "Well 60% of my stock was bought under the old regime and subject to consumption tax?" This is the sort of thing that I think should be monitored if the consumer is not to be disadvantaged when VAT is introduced. The important thing here is that value added tax is a tax that, by and large, is paid by the consumer, and I am hoping that we will see a viable consumer organisation which will look after the interest of the consumers in Barbados.

I recognise also that the number of duties and charges on imported goods, particularly extra regional goods, would be removed, which would lead to substantial reductions in the cost of imported goods. This might tend to have some negative effect on local manufactured goods. The Prime Minister promised in the last Budget that the surcharge on imported goods would be delayed, to some extent, so as to give manufacturers some breathing space. I think that this is necessary, and I hope that the manufacturers will take full advantage of this breathing space they might need to retool and to get themselves prepared for the increase in competition.

I want to come back to a concern relating to consumerism. My concern is that I have seen on supermarket shelves a number of food items which are labelled in language other than the English language. I expect to see circumstances where commodities will come into this country from places where they have never come from before. We have regulations here dealing with the labelling of prepackaged food, and it states clearly that the labelling should be done in the English language because a customer must be able to read labels, particularly at a time like now when people are concerned about health

matters, whether it is salt or cholesterol or saturated fat. They must not be disadvantaged. Going to a supermarket and being able to read the label in the English language to determine if this product is a product that meets their approval or criteria, whatever that criteria might be.

We also need to look at the whole issue of the Value Added Tax as it relates to what was going on in the whole taxation system before. Do we think it necessary to broaden the base from which we can derive taxes? Is it fair to ask a few people, a few industries, to bear the entire brunt of taxes in this country? I think, Mr. President, that these are some of the issues which the VAT seeks to address. It also seeks to ensure that we have a tax which has a known rate. We know that it will be 15%, that the base is broad, and that where exemptions might be granted there might be few, but people would be fully aware. So that the actual administration of taxes in Barbados become a lot simpler.

There were some concerns in Barbados that the level of taxation has been so high, that a Barbadian can leave here, go overseas, pay for hotel accommodation, plane fare, come back, pay customs duties and still make a profit on whatever goods they brought in to sell. This has resulted in a kind of underground economy which does not actually benefit Barbados. Why should Barbados take valuable foreign exchange and spend in other places if tax reform could be put in place to allow affordable prices on goods so that we would want to shop here.

11.50 a.m.

It is with these few comments, Mr. Deputy President, that I want to give my full support to the VAT Bill and look forward to the support of this Honourable Chamber in what I consider to be an important day in tax reform in this country.

SENATOR THE HON. G. S. H. MURRAY: Mr. Deputy President, Sir, I would like to join this debate to deal with the question of the consumer and the general public *vis-a-vis* VAT and from the outset I would like to assure both Senator Welch and any other Members as well as the general public, that the Government has no intention of standing idly by and allowing consumers to be the unwitting victims of any potential rapacious tendencies which might come from the commercial sector with the introduction of VAT.

One measure which will be used to protect the consumer and to protect the integrity of VAT would have been the whole question of public education and public relations. Sir, there has been some feeling that not enough has been done or said about VAT to prepare the public for the introduction of this new method of taxation in Barbados which, after nearly 300 years, will revolutionise the way the commercial sector

operates and also to a large extent the way we live, based on the amount of taxation that will be paid.

There is a perception, Sir, like I said that not enough has been done. In fact, some people feel that nothing has been done. But if one examines the record, I have a record of material produced by the Government Information Service concerning VAT. For example, the public education programme has been going for more than a year, since July 1995, in which time between July 1995 and August 1996 some 9 television programmes dealing with various aspects VAT were produced by GIS and aired on CBC. There were some 8 radio programmes, also produced by GIS and aired on CBC and *Voice of Barbados*. There were a number of Value Added Tax T.V. promotions promoting the whole concept and method of operation of VAT. There were 6 of those. In addition to that there were a number of public lectures at the Central Bank in addition to other promotions, public discussions, etc. Then in the print media, there were a number of features between July and now reproduced in the two daily newspapers several features dealing with VAT, press releases, etc. As a matter of fact, some 22 articles were produced, not all of which I admit were attributable to VAT but VAT was also part of the general education programme.

There were also workshops. The VAT Unit has also been holding meetings with various interest groups since 1995 and there is a system where a weekly series of lectures on VAT, entitled "Know your VAT", takes place at the VAT Unit. So there is an ongoing programme every Wednesday and these are very popular and very well attended by the general public and from what I gather are also highly appreciated by the community.

In addition, Sir, some 20 000 booklets containing extracts of the Prime Minister's budget speech on VAT have been printed and distributed island wide and this week, supermarkets in Barbados will also be receiving another \$20 000 in brochures, containing information on what is VAT, how it works etc. all part of the public education programme. This is history, Sir, and that is the past but I was just outlining those features to assure you that the Government has not been tardy or delinquent in its responsibility to prepare the public for the introduction of VAT.

As to the future, starting next month, September, there is a three-month plan drawn up by the Government Information Service which has responsibility for the major public education on VAT through a basic plan which will see the media being used extensively to further educate the public as regards VAT. There will be in the print media news releases about registration, know your VAT, VAT facts. There will be advertisements taken out, there will be newspaper cartoons. There will be panel discussions, there will be promotions done by Stage 1. The television will also be used to deal with registration. There will be

discussions and guidance to registration, VAT facts, the weekly lectures will continue. So there is a wide gamut of activity that will touch all areas of life that will be affected by the VAT. VAT and agriculture will be explained. VAT and tourism, exempt and zero-rated under VAT. VAT on Christmas stocks. VAT on the commercial sector. VAT and small businesses, VAT and consumer, etc. etc. So therefore there is a clear programme that has been drawn up and outlined and is moving forward to give the public the correct information as to their expectations and as to their responsibilities. This, Sir, will, I believe, along with other measures help to protect the public from being exploited by those who might think they may be able to take advantage of the lack of knowledge that would naturally occur at the beginning of the introduction of a new venture such as VAT. I thank you.

SENATOR C. K. LAURIE: Mr. Deputy President, I would just like to start off by replying briefly to the charges and the innuendo that is occurring about the commercial sector being likely to exploit the VAT. We heard this in 1992 the commercial sector was going to exploit the problems that the country was in but if one looks at the actual facts of the matter, you have heard about the protocol for incomes and prices and the unions got a lot of kudos for the question of controlling incomes but the commercial sector did not get any kudos for controlling the prices. The fact of the matter is that the Central Bank reports that the consumer retail price index remained virtually level and in the last 2 years since 1994 was on a new base, if one looks at the all items you will see 1995 is 101 in the first quarter, 102 in the second quarter, and in 1996, 104, 105. We know that inflation is going to have side effects of raising the consumer price index but generally speaking the commercial sector has done a terrific job in keeping these prices level and the perception is out there that this is not happening. The fact of the matter is that the figures put out by the retail price index by the Central Bank indicate that this is actually happening.

I would like to talk now about the effect of the VAT on local production of food because the imported foods generally come in, particularly meats, with about a 20% consumption tax. When this is removed and a 15% is put on as Senator Barker earlier said, we are going to see a 5% reduction in the prices of imported food. Now these compete against local foods and the local foods had no tax on it so we put on 15% on local food and we take off 5% on imported food the local food is going to suffer to the tune of 20% in the differential. That is basic. There is no way around it. Apparently this is going to happen. Now we are seeing here a very pleasing thing happening even in the last 6 months, the shift away from imported meats to local fresh meats. The imported meats are all frozen. Our people are out there shopping to get the best prices they can, the result is what you get. You pay for dog food you get dog food. What happened with those chicken wings

that came into Barbados? They were dog food and if we import dog food into Barbados then we should not be screaming. We should have known what we were doing. It should have been going to feed dogs not to feed humans.
12.00 noon

If you are producing chicken in this country, the Ministry of Health is on to you in no uncertain way. You have to keep standards that are very high and as high as anywhere in the world. What do we do? We import stuff and it appears that the Ministry of Health really does not care too much about what comes in. Because it comes in from somewhere overseas, so therefore it has some kind of certificate attached to it. But I mean those wings came in as non-grade A wings. That means that it was grade Z. But this is nonsense and we have to approach this thing in the right way that the imported foods must meet the same standards and must be rigorously looked at by the health authorities. Government cannot have us trying to compete with dog food when we are producing food with very high standards here for local consumption. Therefore, what can we do? Well, there is a possibility Barbados for some reason did not put on the Common External Tariff on imported foods that was allowed by CARICOM. In fact, an official of CARICOM at a meeting that I attended about 6 months ago explained and thought it very strange that Barbados had no Common External Tariff, zero tax on lamb and pork. Why was that? There is no Common External Tariff on these things. So what can we do? We can certainly now take the opportunity because Common External Tariff can be implemented at anytime if the Government just makes up its mind. We will put it on and it does not affect anybody else but us.

Therefore, what I am calling for particularly is on the question of lamb and pork, I would like to see a 20 per cent put on to compensate for what is going to happen to the local producers. That is outside of VAT so it does not affect this Act but it helps Government to compensate to the local producer for the effect that VAT is going to have on his cost of production.

A similar thing is going to happen in vegetables. We do not import a lot of vegetables so there is not that much of an effect as compared to what happens in the case of lamb, pork and beef because we import still a substantial amount of those meats. But nevertheless the vegetables for the first time are going to have a 15 per cent tax on them. We are also going to have a very confusing time for those people who do not make the \$60 000 and who are not Vatable. So you are going to have a vegetable producer producing carrots at one cost and then he is not going to charge VAT, so the supermarket is going to buy some vegetables without VAT and some vegetables with VAT. It is going to be to me a very confusing thing. Are they going to mark them up and sell them in two different

containers – a Vatable container and a non-Vatable container? I suspect what they will do is just put on the 15 per cent on the price and their mark-up will go up by the 15 per cent to bring it on level with the stuff they paid VAT on. So this is the kind of thing that I am very worried about for the small producer. Thank you.

SENATOR N. A. LYNCH: Mr. President, I wish to join this debate at this point now that Senator Laurie has made some serious suggestions of things which we intend to deal with later on. But first, Sir, it certainly is a privilege for somebody like me or anyone else here to be in this legislative Chamber at a time when we are debating such an important piece of legislation. I think that anybody in any Chamber should be proud of the fact that this is a significant piece of legislation which is going to affect the lives of Barbadians for decades and decades to come and to be here at this point is certainly for me a privilege and an honour.

Sir, I want to look at this VAT though from many different angles. I want to look at the importance of having a Value Added Tax to spend a little bit of time looking at the indirect tax system that we have got and then looking at the characteristics of the VAT that we are about to introduce. Then, Sir, what is important is the economic effect of the Value Added Tax and what effect it is going to have in the long run upon Barbadians and the economy and obviously then to look also at the difference between the proposed VAT by the Democratic Labour Party, the last administration and ours, and also to look at the effect that it is going to have particularly on the tourism sector.

I want to say from the outset that the tourism sector is still concerned about particular elements of the Value Added Tax and how this tax is going to affect what we consider to be the back-bone of the economy. I do not think that we need to go over any long-winded presentation about how we got to where we are because on both sides of Parliament we have already agreed that in Barbados to reform the indirect tax system of Barbados which had become very cumbersome and a lot of other things that we will go into, we needed to introduce a Value Added Tax. I am surprised to hear some people who are opposed to the concept of the introduction of a Value Added Tax now on the Other Side and they have all kinds of reasons for stating why we got a system that works and all of these kinds of comments.

Sir, we do not need to go over what happened in 1991 but I want the public of Barbados to be aware of how we got into the situation that we got into. We got into a situation in 1990 where everything in Barbados had declined in the reproductive sector except agriculture. The next year it got even worse and the Government at the time with the international lending agencies decided that the best way to go was to reform both the direct and

indirect tax systems of Barbados. At the time in 1992 and 1993 we already had done serious work on changing the direct tax system of this country. We now have got to the stage where we have to change Barbados from where it is. Now the VAT, for all the characteristics it has, anybody will agree that it is the best way to go in terms of reforming the indirect tax system of Barbados. We started out with a consumption tax which was about 5 per cent. It is somewhere in the region I believe of about 21 per cent to 89 per cent and then we got these 3 taxes but 42 taxes in between. One can understand the administrative horrors that we go through with all of the exemptions and other things that we are doing. But, Sir, what is also important is that when you add the stamp duty on that for these extra-regional imports just imagine where we are. We end up with people having to pay over 100 per cent duty and taxes on things that are imported into Barbados. Sir, as the Prime Minister has stated, this has turned Barbados upside down. What has happened is and particular in areas like the tourism sector we have been unable in the last decade or so to attract significant or substantial investment in the industry. Barbados has been turned upside down in terms of taxes. It is very, very difficult to do business in Barbados and on a consumer basis it is even more difficult because people are more apt to run overseas to buy commodities.

Sir, one of the other problems obviously is the indirect tax system as it presently exists has also stilted exports out of Barbados and I believe that many people do not want to look at the tourism sector as an export sector. I believe that the tourism sector has never been treated as an export sector. But, Sir, we have all agreed across the board that we want to introduce this Value Added Tax. It is a broad based tax with few exemptions, transparent, encourages economic activity, encourages investment and encourages capital formation. We have all looked at it and decided that this is what we wanted to introduce for Barbados. One of the things that I fault the Opposition for is not coming together with us. This is not no DLP, BLP thing. This is a Barbadian thing that should be explained to Barbadians carefully what the effects of the Value Added Tax are going to be. There are people obviously on both sides who are very competent and very able to be able to explain to people what it is going to be.

12.10 p.m.

Sir, the multi-stage tax we are about to introduce will only have three rates, obviously, the 15%, the 7.5% for the hotel accommodation and the zero-rating. I believe people have over-compensated the extent to how they try to explain the Value Added Tax. A lot of people understand a retail sales tax and they tell you it is similar to any retail sales tax, but rather than taxing at the end we are going to tax at different stages. I believe that what a lot of people have failed to say, and I want to bring this even to the small businessmen, is that the Value Added Tax is just not

taxing at those stages but also a Value Added Tax must be thought of as a payment to the factors of production, also the payment to the factors of production that include things like wages, rents, profits and interest. I think it is not only important to say that one talks at every stage of the process, but also to understand that a Value Added Tax must be thought of as a payment to the factors of production, rents, wages, profits, interest, *et cetera*.

I also want to make it clear that Barbadians should know that upon the introduction of a Value Added Tax prices are going to go up. I make no excuse for saying that. I think a lot of people have avoided saying that prices initially are going to go up. Certainly, Sir, the Consumer Price Index is going to shift and Barbadians must recognise that this is not the same, maybe, as a general state of price increases and inflation, but initially this Consumer Price Index is going to shift, because we are going to bring things in for the first time which have never ever been taxed. Also, there are a lot of other factors that are going to affect that shift and generally these things must be thought of. For example, there are goods in stock and on hand which people are obviously going to take the opportunity to add the tax on to. There is going to be more credit on the existing taxes you have paid, so people are going to increase those. There is going to be a high compliance cost in terms of how people are going to have to deal with a Value Added Tax, and all of these things initially are going to push prices up. I think that all Barbadians must be bracing themselves in the initial stages of the introduction for what is going to be eventually a shift in that Consumer Price Index and having to pay more.

But, Sir, I also want to warn, because we do not warn the people enough, I want to send the message to the labour unions of this country, because mostly what will happen is that labour unions will go about in terms of that initial increase trying to seek wages and salary increases that will eventually have a very adverse effect upon what happens in the long run, because they want to be able to find money to pay for the real consumption, and it is necessary to tell Barbadians today that workers' unions, all of the unions in Barbados, need to hold strain and not see this as an opportunity in the initial stages of the introduction of the VAT to go after seeking higher salaries and wages for people, because it can only have a very detrimental and adverse effect on the economy in the long run.

Sir, when I hear the Opposition speak it must be made clear about how we view a VAT, the difference between them and us. The Democratic Labour Party's Government had stated clearly from the beginning that the Value Added Tax had to be revenue neutral. The taxes that were raised had to be the same or about the same as those they had previously under the other indirect

tax system. What is significant is that we certainly see it differently on this side. We believe that in this thing there will be winners and losers, but one of the things we were clear about was that there had to be some form of concession given to certain people whom we believe drive the economy, the backbone of the economy. It did not have to be revenue neutral, there had to be some tax relief in terms of how the Value Added Tax was introduced.

The Barbados Labour Party made it clear that the sector that was most to benefit from any tax relief had to be the sector that we considered to be the backbone of the economy, namely the tourism sector. I have stated in this Chamber before and I will state it again. If you look outwardly at the global economy and you see what it is serving up, it will tell us clearly that if we are to take advantage of that economy there are only two sectors that are going to move us forward and move us anywhere, tourism and the international business sector. Let us get it abundantly clear. The Common External Tariff will take care of all those people who talk about manufacturing and these other people. We have to make it abundantly clear that if there was any relief that had to be given, it had to be given to the tourism sector, because that is the sector that decides what happens in this economy and pays for the standard of living that we hold so dear. We are clear. The tourism entities in Barbados – and I am talking particularly about the hotel sector – are unprofitable. Barbados is the worst place, is the most difficult place to do business in terms of taxation in any of these Caribbean destinations when you talk about tourism. Our room profit before taxes is the lowest of any Caribbean destination.

Aside.

SENATOR N. A. LYNCH: It is fact, Sir. Let me say this. The Democratic Labour Party's Government would have forced the tourism sector to absorb the majority of the input costs in this Value Added exercise. What would have happened is that they would have exempted the accommodation sector, so we have not attracted a chain hotel to Barbados. We say that the North American market is our most important market. We have not attracted a chain hotel to Barbados for almost two decades and one of the two we have got has flown the coop. It is simple. Big news last week, the one that we have, and one of the things Americans like is name brands in terms of airlines. That is why B.W.I.A only flies a lot of ethnic people into Barbados. Imagine, if American Airlines pulled out tomorrow and we did not have a U.S. carrier, we have Air Jamaica and B.W.I.A., those things do not engender the kind of confidence in the North American market as one would for a U.S. carrier, and the same thing goes for hotels. The only recognised North American chain hotel we have left in Barbados is the Hilton Hotel and therefore there is a need to be able to ease the tourism sector in

terms of relief from taxes so that we can at least look to attract some form of investment.

Aside.

SENATOR N. A. LYNCH: Sandals is clear. Supposedly the biggest developer of hotels in the Caribbean, a Caribbean man, buys a property in Barbados three or four years ago and has not turned a pebble in Barbados, and people have given all kinds of excuses for why he has not developed the property. I am saying that he had this Barbados property before he had a lot of the other properties, before he had the one in the Bahamas, before he had the one in the Turks and Caicos, and he developed the two of them because of the kind of concessions he was given, and because of the cost of doing business. I think the Value Added Tax with an exemption, 7.5% on accommodation, and the fact that hoteliers can now claim their inputs back, Sir, makes a significant difference to the Value Added Bill that was proposed originally by the Democratic Labour Party's Government that would have exempted accommodation and would have put the hoteliers of Barbados in the worst possible position they could have been in.

12.20 p.m.

To have exempted the hotel sector in Barbados would have been the worst possible scenario for Barbadian hotels. It is clear that Barbadian hoteliers have fought from way back for duty free concessions for the hotel sector on their inputs, to have exempted them would have taken us two decades back and we need to be clear in Barbados. We need to decide where we want to take this economy, where we want to go and put emphasis upon the areas that we know that are going to move us forward.

Sir, I believe that the experience of other countries has shown us that the VAT really raises more initially than has been projected. In most countries they have tried to strengthen the backbone of the economy by giving exemptions. I take the point and the Opposition has made the point. Senator Mascoll particularly made this point that if we had exempted the hotel sector, and what we have done is really zero-rated food that we may have been in a better state. Although you agree that zero-rating food, would have given the hotels and the hospitality sector some leg-up, I do not believe that it would have had the same effect.

We have evidence to prove in the Barbados Hotel and Tourism Association that it could not have made the same difference, it could not have redounded to affect the hotels by zero-rating food as it would be by giving them 7.5% on accommodation. I want Senator Mascoll to do his calculations again and come back and tell me if it is not so. There is no way that zero-rating foods would

have the same net effect on the hotel industry as if you had given them 7.5% in terms of accommodation.

Sir, there is a more burning issue in all of this. I have heard the situation where people have claimed to exempt the accommodation of the tourism sector. That may not have had an adverse effect if you were dealing with properties which had high occupancy and low expenditure. If you are dealing with small properties which have high expenditures already, and these properties have low occupancy rates, unless there was some other offset in terms of earning revenues for this hotel sector it meant that a lot of these properties would go under. The key issue is that in this country 60% of the hotel plant in Barbados is small budget type properties. Not only 60% of the plant is small but we are going no further. They own about 40% of all the existing rooms in Barbados.

The other thing that I must say for it – we talk about the small black businessman – these properties are owned by Barbadians, small people who have to deal with them. It would have been horrendous to exempt the industry knowing that we are dealing with small properties that have high expenditure and low occupancy. That Sir, is the reality.

I want Sir, to say that there are concerns that still exist in terms of the hotel sector. The hotel sector still has problems. The hotel sector still believes, and I am one who believes that the accommodation sector should have been zero-rated. That is my own belief. There is an existing problem that the hotel industry is going to face. People who know about the hotel sector know that they exist through tour operator contracts. Most of the people who come to Barbados come to Barbados through these tour operator contracts. Sir, existing contracts are in the marketplace because these tour operators do their contracting 2 years in advance.

Therefore, what has happened is these things have gone out with a 5% government sales tax on them. We are going to increase that sales tax from 2.5% to 7.5% and these hotels, especially the smaller properties, are going to face severe problems. We should have made some concession that in the first 6 months or 12 months of these existing contracts that we look somewhere at leaving the rate at 5%. What is going to happen is these small hoteliers cannot continue to absorb during the first 6 months of implementation of the VAT an existing 2.5% on their rates. They are going to have to eke the 2.5% and it is going to have some serious implications initially for the hotel sector.

I believe that when we talk about refunds and I have heard a lot of statements about refunds and how this regulation will go but, for hotels, if these hotels which we claim are the backbone of this economy and the hotel

sector is a fundamental part of the tourism industry. In tourism, you cannot sleep on a boat, you cannot sleep on a jet ski and you cannot sleep in a restaurant. I will tell you something else. Barbados had better realise that, and very quickly, because a lot of small hoteliers in Barbados, though a lot of people claim that they don't pay their bills at the BDB or whatever, have kept people employed and kept food in people's mouths over the period of time that they are open and a lot of them have paid back twice what they borrowed from the BDB.

Fundamental to this country, if you are talking about small black people, they have been looking after small black people. A lot of small black people own those hotels, a lot of those people have come from nowhere and have been able to be entrepreneurs in Barbados and they need to be supported. As far as I am concerned, we need to be able to support them and I want to make it clear 60% of the plant that we have here are small hotels and they are owned by Barbadians and that is important. They are Barbadians who employ other Barbadians.

There is a concept too about refurbishment. There is an amendment to this Bill that came here Clause 48 subsection 10.

"Notwithstanding subsections (1) and (2) inputs taxes paid by registered in acquiring goods and services for the construction of a new building or the alteration and expansion of an existing building is not allowable."

We understand that the Hotels Aids Act supersedes this and that the Act says you can claim your inputs. Sir, I believe it would have been better to be able to claim VAT along with the other inputs and not have to wade through the process of going under the Hotels Aids Act to apply to the Comptroller of Customs and have to wait out that long period of time because it is going to affect negatively the cash flow situation of many of these hotel properties, especially the smaller properties.

There was also VAT on supercharge. If the employed get nothing from it and the guests refuse to pay it, there is no way in which we should be able to charge VAT on it.

Sir, there is a concern too about the direct tourism services, the ones outside the hotel sector. There are a lot of them which have large investments and obviously a tourism experience is not only about sleeping in a hotel or eating in a hotel. There are tours and attractions and other rentals and there are millions of dollars in investments in the ancillary sector of tourism. I believe that consideration should have been given as well as to how we deal with the ancillary sector of tourism and being able to look at the effect on the real customer. If these people go

under, there is going to be a reduction of activities in Barbados for any visitor and that is going to have a serious adverse effect in the long run upon the type and the quality of the tourism product that we put in. Therefore, Sir, I believe also that there was a case for a lower rate in terms of some of the ancillary sectors also.

We have to be able to recognise the contribution that the ancillary sector has made to the development of tourism as well and not only believe that the tourism sector is based on the strongest point, on the hotel sector. They have made contributions and they have significant investment and they also need to be looked at.

12.30 p.m.

Sir, one of the things that is important is that we have claimed that the Value Added Tax usually yields more than it has been set out to yield. Sir, the Prime Minister has made it clear, again the difference between them and us. The Prime Minister has made it clear that any substantial benefit that comes from the Value Added Tax will go to the people who need it most. To the poor and the needy. That is where it will go. Anytime it reaps more the poor black people of this country will be the ones who will stand to benefit. Sir, that is in a nutshell the difference between a caring party and the ones that do not really care. It is simple.

Sir, for Senator Laurie's benefit, these small farmers that he is talking about. The VAT and its side effects. The production of lamb and all of these other things, it is simple as this. It is to a man's benefit to declare that he is near the threshold and declare that he wants the VAT. I heard someone made the statement about small farmers and about when you are dealing with lamb, that the only factors of production, the inputs are grass. There are a lot of inputs that you have to deal with.

I believe, Sir, that if he is a farmer at a certain level, he is obviously going to employ people or whatever. If he passes the threshold, it is to his advantage to declare. If he does not reach the threshold, he does not have to charge VAT. Therefore, he should have no problems. If he goes over \$60 000, I would think that – you know Barbadians are very innovative, his aunt, his sister, and everybody is going to be a small farmer too and have their own business. If you reach the \$60 000 level, I think that would have to be a pig farmer, significantly, that the only factors would not only be grass for the sheep. He will have to have other things, wages, profits, everything else to benefit from under Value Added Tax . . .

Asides.

SENATOR N. A. LYNCH: He must have if he reaches \$60 000. He must be a man of some significant earning.

Therefore, that person is going to benefit clearly to claim his inputs. That is the fact. The beauty about this system is its self-policing effect. If the man is under the threshold he does not need to pay anything, so he does not need to worry. If he is over the threshold, I am sure he will have other factors of input and production that he can claim. So, therefore he should be in a good position.

SENATOR C. K. LAURIE: On a point of elucidation. I am a little confused. The Senator said that wages are "vatable?" You can claim for wages on the VAT that you have paid wages? I am a little confused on that.

SENATOR N. A. LYNCH: I said, clearly, that a Value Added Tax must also be thought about as payment to the factors of production which include a lot of things outside just grass, for example, for a small farmer. I have said it, Sir. You will be able to claim on all the factors of production. That is the concept of a Value Added Tax. Not just paying for intermediaries that go into production.

Asides.

SENATOR N. A. LYNCH: Sir, once again, I believe that it is an honour for me to be in this Chamber at the time when we introduced the Value Added Tax. The more significant point is, that we need to reform the indirect tax system of Barbados, and this is a significant step in that way. I do not think, Sir, this is carved in stone. I think that we all have a lot to learn what a Value Added Tax means and how it is really going to affect us in the future.

The Prime Minister has made it clear, and the administration of those who stand to benefit from this Value Added Tax if it does yield more than it is intended to yield, will be the poor and the needy in Barbados. Sir, I want on that note to conclude and to give my whole-hearted support for the introduction of a Value Added Tax in Barbados.

I thank you.

SENATOR D. T. GILL: Mr. Deputy President, I rise to support the Bill which is before the Chamber. If I may just look back a bit, last Friday, when Senator Mascoll started his speech, Sir, I was in the anteroom. At the outset I thought well, "Senator Mascoll is really being honest with himself and the Chamber in its entirety."

Certain remarks made by Senator D. T. GILL were asked to be struck from the records by Mr. DEPUTY PRESIDENT.

SENATOR D. T. GILL: Sir, there was a point at which the Senator sought to distance himself from the position held by some of the politicians. He said, "I am not in this political thing. I am not in as a politician." Sir,

later on in the speech he distanced himself from the impact study which was done by the economists, stating that, "They did not have enough facts." Sir, then he distanced himself, yet again, with the accountants whom he said had taken a line with the merchants. So he continued to distance himself.

Sir, this thing which appeared to be most, is this philosophical base which the Opposition side has been pushing. In all these bits of legislation, Sir, which have put them into a bit of tight spot. Rather than debating the Bill in its entirety, Sir, they go off and they look at from a philosophical stand point. Sir, if the Senator were to look at one of the most philosophers, philosophy is not anything new. This was long Christ walked this earth. Sir, I look at the famous Pythagoras. Top philosopher, top politician, and as Senator Barker would tell you, a top mathematician. One of the best when it comes to numbers.

Sir, it was this same Pythagoras, Sir, who likened life unto a public game in which 3 classes of people are distinguishable. The buyers and sellers, who he said have "no interest in the game," only seek profit. The participants, Sir, who he said are "selling for praise and honour," and the observers whose aim "is neither gain nor honour but wisdom." Sir, using that as my yardstick, I could not fit the Honourable Senator into it. He was neither player, buyer, seller, he did not look for wisdom, he did not look for glory, he did not look for profit, he did not look for anything.

Asides.

SENATOR D. T. GILL: Sir, if we look at the VAT, Sir, as being a system whereby you widen the base, it is simple, Sir. Any eleven plus student would tell you that base area times height is volume. If you widen the base, the volume, Sir, stands a very good chance of increasing, even if you decrease the amplitude, Sir, it could still be increased. So, Sir, there is not really anything startling about that. If it so happens that you realise a bigger intake, well then, Sir, subsequent to that, there is the legislation that you can adjust it accordingly. Another one, Sir, is you widen the base you decrease the pressure. So if you widen the base as to those you are going to be the players, then the individual pressures, Sir, will also be decreased.

One noticeable thing about this Bill, Sir, is the amount of power which will be vested in the office of the Comptroller of Customs. Sir, with reimbursements and payments forming a very integral part of the legislation, it is not true to imply, as Senator Bernstein did before winding up on Friday last, to state that there is a similarity between that and the National Insurance in terms of monies accrued. Really and truly, you do not earn VAT. It finds its

way smoothly into the system, but National Insurance has to be earned. So, I really do not agree with that parallel which was drawn.

What I would like to state here, Sir, is that the office which would be administering the VAT, that those involved must be extremely patient and they must listen, and they must be prepared to deal with instances as they arise, and try not to snarl up with those who are involved in the business sector, but rather to listen and to learn as each individual case presents itself.

I know, Sir, when the Drug Service Act came into being, there was no real problem. Morphologically, no problem, Sir, but, as the intricacies started to unfold, as pharmacies began to claim their reimbursements, ever so often, Sir, there would be some sort of conflict. We know, only too well, that the position which they held *vis-a-vis* the office of the Barbados Drug Service. I would not like this sort of feeling to find its way into the VAT office, opposed to the business people in Barbados. No matter how big or small.
12.40 p.m.

Sir, there is a section there which concerns me that has to do with the creditors, wholesalers, whatever you care to call them, but the suppliers of goods to the retail market. As you know, Sir, the wholesalers form the source and very fountain head of the retail industry. If at any moment, Sir, you cause a shift in the position of the wholesalers/suppliers so that the small retailers would not be able themselves to enjoy a certain level of credit then Sir, the very delicate nature of the retail industry could be hampered significantly. You could be setting up a bit of a vicious circle between wholesaler, retailer, banker, wholesaler, retailer, banker. It would just be one circle going around and around and in which case the weaker entity would have to fall out. So I would like, Sir, at all times to see that the office handle these cases in a very knowledgeable and calm manner.

Page 27, section 5 where it says, "Where goods are supplied progressively or periodically under an agreement that provides for the consideration to be paid from time to time upon the supplier issuing invoices, the goods shall be regarded as being supplied at the time when

- (a) an invoice for the supply is issued by the supplier,
- (b) payment for the supply is made, or
- (c) payment for the supply becomes due, whichever is the earliest."

It is to that section, Sir, that I would ask that some degree of leniency be extended so that it would not bring any undue pressures on the wholesalers.

Sir, we must also remember that wholesalers are really retailers. When you are in a buyer's market, without any real exclusive right, every wholesaler is himself a retailer. Competition would point to that fact.

The other sector which concerns me even more deeply, and this cannot be totally separated from the retail industry of buying and selling, is the pharmaceutical industry – pharmacy ownership. Pharmacy ownership, Sir, finds itself sitting in two categories: (1) as an ordinary seller of items, and (2) as a business which is regulated by serious legislation. That is, two sets of legislation, the Drug Service Act as well as the Pharmacy Act. I would like to state here that when the VAT office is handling or dealing with private pharmacies that they be very cognizant of the Schedule II which appears in the Pharmacy Act and at a later date consider zero-rating those items. Why I say, zero-rating, Sir, is that those very items listed in Schedule II, Sir, stand a very good opportunity of being on the next formulary list because they were at some time previously in the Barbados Drug Service formulary. I would ask that some time later down the road as they surmount the initial problems that the Schedule II and even the Schedule III which is being looked at, should be given some firm consideration as well.

Sir, another area in this retail sector which concerns me is that of expired stock. Again, Sir, I think that the VAT office should be cognizant of the fact that expired stock does not become expired because it wants to become expired. Most stock moving in the dispensaries the movement is controlled primarily by the prescribers or the writers for those medication. If for some reason or other, Sir, it is not promoted properly by the pharmaceutical companies or representatives or if the doctors or dentists or whoever are the prescribers do not find favour in that medication then it will become expired so therefore you have got to do some investigative work to find out as to why these items became expired and some degree of consideration/leniency again should be extended.

Sir, another reason for expired stock is the quantities which you have to buy. In some instances, Sir, one cannot just purchase just that amount required for an individual case. Sometimes, Sir, you may have to buy a 4-gallon container. Sometimes you may have to buy a 1-gallon container. Sometimes, Sir, you may have to buy 1000 tablets just to be able to get 30 or just part of a volume. It stands a very good chance of the rest of the item becoming expired. Not only that, Sir, the other factor about that is if you are invoiced in month one for any of these commodities to which I have just referred and you have not exhausted it within the 2 to 3-month period before you make your submission, then, Sir, you could very well be disadvantaged. Again I would like that the VAT office sit and go through all of these which may at the surface, Sir,

appear to be insignificant, but when examined closely it would be shown to be a lot more significant than the first glance.

Also, Sir, in that subsector of the retail industry each year as the contract period comes to a close and a new one starts up, Sir, as I alluded to earlier on, items will go on and come off. Therefore, Sir, you will find that you may just be purchasing an item just before the close of a contract period which was vatable but thereafter it becomes zero-rated but you have already paid the VAT on the item. Therefore, Sir, I would suggest that there may be other subsections of the retail industry which need to be looked at closely. Even contractors doing work for Government who may not be paid two, three months down the road, I am going to send out a little plea there asking the office to be as compliant as humanly possible.

Mr. Deputy President, in closing I would close just as how I began. I would not like though to be disciplined. Diogenes, Sir, the great Greek Philosopher and I know, again the Honourable Senators from the Other Side would be more than grateful to know that Diogenes was also a philosopher but, Sir, Diogenes walked through the streets of Athens I have been told or have read with a lantern high daytime.
12.50 p.m.

Certain remarks made by SENATOR D. T. GILL were asked to be expunged from the record by the DEPUTY PRESIDENT.

SENATOR D. T. GILL: I was quite clear to say, Sir, that that was what had been reported as said and I did not think that was pertaining to us. But with those remarks, Sir, I wholeheartedly support the legislation before the Chamber. I thank you, Sir.

SUSPENSION

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, I beg to move that this Sitting be suspended until 2.00 p.m. today.

The question that this Sitting be suspended until 2.00 p.m. today was put to the Senate and agreed to.

RESUMPTION

Mr. DEPUTY PRESIDENT: This Sitting is resumed. Senator Rickinson.

SENATOR Mrs. P. E. RICKINSON: Thank you, Mr. Deputy President. I rise to support this Bill but I would like to make a few observations on behalf of CTUSAB – Trade Union Congress. It has asked me to mention that they would have loved to have met with the Minister of

Finance to discuss some issues with them but they have not been able to do that. It is hoped that in the near future they will be able to meet and have some discussions. Meanwhile, they have sent a document entitled "Congress of Trade Union and Staff Associations" to the Permanent Secretary, Ministry of Finance about the Value Added Tax Bill. I will be making some observations using this document and also some personal observations.

The Congress of Trade Unions is of the view that the VAT must not be seen as cumbersome or burdensome by the persons upon which it has been levied. Therefore, one would need a considerable amount of explanation and education regarding what exactly the VAT is, how it is to be implemented and where any comments or recommendations could be forwarded. They recognize that it is said to be neutral at the start. But however it is recognized that because it is VAT that it is spread over a large portion of the population and includes in its net some persons who would not knowingly have been paying taxes as such. It would like to know about how the calculations were made and if possible to get a copy of such calculations of neutrality and revenue.

There are certain areas that the Congress is worried about and one is the treatment of food items. This has been dealt with very widely today in the Senate but I would like to personally suggest that we get a basket of goods that are nutritional and we have an agency in Barbados known as the National Nutrition Centre which is charged with the responsibility of implementing nutritional policy and education in Barbados. I am suggesting, and this is not coming from the trade unions because I have worked very closely with them when I was a Health Education Officer, that the VAT team meet with the National Nutrition Centre and get a basket of basic food items which will be nutritious. When the Retired Members Association had their Annual General Meeting, I suggested this as well that they contact the Government and try and get a basket of zero-rated foodstuffs that would affect pensioners. As we all know, pensioners are on fixed incomes and we need to try and keep them as healthy as possible because, if we do not spend it that way, we will spend it on them as patients in the hospital.

The Congress has noted that in some countries this has been done and it has not affected adversely the revenue collected on VAT. They have also noted that they would like to see some food items zero-rated for pregnant women and children and some disabled persons and specially challenged persons. The Congress also made reference to Clause 8 of the First Schedule regarding drugs. This was partly dealt with by the Senator. In addition to some of the requests, the Congress has recommended that all of the drugs be zero-rated whether they are prescribed or not prescribed even if they are bought over the counter.

In addition to drugs, and this was dealt with by one of the Members as well but I will mention it again that some of the prescribed devices in Clause 9 of the First Schedule prescribed medical devices. It is also recommending that a liberal interpretation be given to this clause and items for the senior citizens like dentures, spectacles, walkers, pacemakers, false teeth and hearing aids and the like be zero-rated. They also would like to see that some of the special vehicles for the physically and mentally challenged be exempted from VAT under this clause.

In Clause 11 of the First Schedule which refers to education, it is their view that further consideration be given to this and all books and additional items like musical instruments for school bands be exempted and zero-rated.
2.05 p.m.

I would like to say a word or two about telephone and electricity. This has been dealt with today, but I would like to add to the contributions made. We are aware that VAT will be attached to the telephone, but we would like to see that the senior citizens will be relieved of the VAT on the telephone. I am aware that money has been allocated for a survey, but one does not really need a survey to know that a telephone is not a luxury for a senior citizen, it is a necessity. It is often the only means of communication between senior citizens, who particularly live alone, and the outside world and their relatives. Because their incomes are fixed, it would be to the advantage of the country to encourage communication between the senior citizens, because as we know what happens to our brains if we do not use them and we really do not want them to go senile prematurely. In fact, one could even start a telephone club whereby senior citizens could communicate with each other, but that is another matter.

As far as electricity is concerned, it should be seen as a necessity for the aged and we would like to see some relief for the senior citizens as regard VAT on electricity. This is because when one gets old the eyesight tends to deteriorate and if one does not have enough money to pay electricity bills and one has to resort to lanterns or candles, it becomes a fire hazard, because they tend to say: "Turn up the lamp a bit more" or they tend to turn it up and then one could have house fires when these persons are losing their sight.

It is recognised, in the area of food, as one Senator has said, that bread and flour will be on the increase. These are staples. These are items that senior citizens and children use and it would be good if they could be included in the basket of goods.

The Congress is of the view that in some countries the decision has been taken to zero-rate some

of the children's clothing and footwear. I am asking that when the survey is done one investigates whether or not it would be feasible to zero-rate the children's clothing and footwear. They are also requesting, if possible, the zero-rating of certain sanitary products for personal use and clothing and equipment used in industrial concerns to protect the workers from occupational hazards.

It has been noted that amongst services, burials and cremation have not been exempted and one would like to recommend that these be zero-rated, as has been done in some other countries. They are also asking for relief of the property rented by the trade unions to be free from VAT.

I would like to find out if the VAT is all inclusive. For example, I have lived in some countries where there is VAT under two different systems. In one country where I have lived the VAT is included in the price of goods so that when you go and pay for the goods it is the price of the goods plus the VAT. I have also lived in another country where the VAT was not included and therefore one had to walk with a calculator and calculate the VAT or to be dependent on the shop assistants calculating the VAT. It would be easier and better if the VAT is all inclusive in the forms that are prepared, so that one would not have to start calculating how much VAT is to be paid on an item.

We are aware that the threshold is \$60 000 and it was dealt with in some measure by this Senate, but the Congress is asking nevertheless that consideration be given to raising it to \$100 000, with periodic review, which it feels will be more realistic.

Mentioned in this Senate as well was the role which the Comptroller of Customs is playing with regard to VAT. The Congress is asking if special powers could not be granted similar to those granted by Inland Revenue because of the role the Comptroller of Customs will be playing in the VAT.

It is recognised that one does not know the range of effect of VAT on the work force, whether or not it is going to lead to an increased work force or a decreased work force. However, the Congress will be paying special attention to the implications for employment. It is also recognised that one is not 100% sure about the outcome of all the prices for goods, whether or not all of them will be reduced or whether some will be increased and some reduced, but the Congress will be paying special attention. As you know, Mr. Deputy President, if the cost of living goes up, the unions ask for increased wages, which eventually will lead to inflation, so one would like to see the cost of living not rising and, if possible, decreasing, so one would not have to ask and bargain for increased wages. There are certain amendments that have been suggested but

I will leave that to the Congress itself to negotiate with the Government.

2.15 p.m.

I would like to just make a brief note about the administration of the VAT. The Congress is asking that additional staffing, training and experience and expertise of the officers be taken as priority and that there be a good working environment because it is anticipated that in any new venture there will be some problems and one would need an environment in which one could work to try to deal with unanticipated problems that might arise. It is felt, however, that computerisation would go a long way towards the implementation and administration of the VAT and priority should be given to these persons working in the area and responsible for the implementation of the VAT.

In addition, it is my personal view that we need a massive educational programme not only using the electronic and print media but also face-to-face programmes, with officers who are knowledgeable about the VAT and its implementation, meeting with established groups. Why I say established groups is because often if one just sends out an ad to say the VAT team will be at such and such a school, one tends not to get the amount of people that one would like. It is better to work through various groups like the Lions, the Rotary, the church groups, the Nurses Association, the NUPW, BWU etc. and make it their responsibility to get the numbers of persons there so that you can have face-to-face presentation and education about the VAT itself, what it is all about and what to expect.

If you really go into the marketplace the first thing they will tell you is that they went to some island and everything is going up. This is the general view that VAT is coming and all the prices are going to go up. Contributions which the various Senators have made have indicated that some items will be more expensive but some items will not be so expensive. We need to be involved in community organisation and face-to-face education with communities throughout Barbados including going into the marketplace. You just need a speaker to go into the marketplace. One just needs to go into a church and instead of a sermon let me give a talk on VAT. These are the ways and means...

Aside.

SENATOR Mrs. P. E. RICKINSON: ... as a health education officer I would give a sermon on health instead of the priest. It makes the church too long and the next time they hear you are coming they are not going to come to church. When you are coming you need to know that it is going to be instead of a sermon and they won't have another extra 15 or 20 minutes in church. You need

to be very careful how you go about introducing yourself to the various groups so that the people would not stay away from the group meetings when the VAT person is coming to explain to them all about VAT.

You also need, and this is my personal input to get the nurses that work with the people in the community and teach them about VAT so that when the mothers and others come to the polyclinics they can explain to them what it is all about. Let's face it, we only have so much money in order to set up a VAT team and we need to use as many resources as possible. It is not going to be forever so there is no reason why the public health inspectors, the nurses in the polyclinics that tend to deal more with well people than those in the hospital, cannot be taught what it is all about, how it is to be implemented so that they can pass the information on to their patients. You can also give them a number that they can contact if there are any problems.

Mr. Deputy President, I would like to say that I support this Bill and I wish you success in its implementation. Thank you.

SENATOR Miss O. P. SYMMONDS: Mr. Deputy President, I just want to speak exceedingly briefly to say first of all that I support the Bill. I do not want to replicate what has been said and Senator Rickinson has made some valid points about public education, but I wish to approach it from a slightly different angle. I do think that between now and January there needs to be not only continual education because there is some education going on, there are seminars and panel discussions, but I think it may need to be even more intensive and extensive and that we have to think of the people who do not belong to organisations and who are unable or disinclined to attend some of these programmes that are being held publicly.
2.25 p.m.

I wish to approach it from a slightly different angle. I do hope that between now and January, there needs to be, not only continuing education, because there is an education programme going on, there are seminars and planning discussions, but I think that it may need to be even more intensive, and that we will have to think of the people who do not belong to organisations, and who are unable or disinclined to attend some of these programmes that are being held publicly. That is where the media are most important, and where on television, radio, and in the print media a great deal should be done to disseminate the information about the VAT.

I do not think that many churchgoers would take kindly to the VAT being the subject of a sermon instead of the traditional type of preaching to which they are accustomed. Certainly, there are church groups who could use their organisation to impart information, but I do feel

that there needs to be a really massive and extensive programme between now and January.

I wholeheartedly support the VAT, and I thank you for your consideration, Mr. Deputy President.

SENATOR Mrs. A. P. THOMPSON: Mr. Deputy President, my brief intervention this afternoon refers to the Government that on September 6, 1994, Barbadians made a decision to hand this Government over to the Barbados Labour Party. The fact that the Democratic Labour Party was waiting on a VAT system and had plans of introducing one is immaterial at this time. I feel what is very important is that this Government be allowed to get ahead and implement its VAT system, and then Barbadians will determine the outcome of the introduction of the Barbados Labour Party's VAT system.

I listened to Senator Barker, and since he is a representative of the Ministry of Finance, I am forced to comment. In listening to the areas in which he touched on as he attempted to show the impact of the VAT across Barbados, he said that less than 40% of the average household spends less than 40% of its income on food. I was wondering what percentage of income is spent by the lower income groups in Barbados on food. I think that we all know that in the lower group, families are very large, and they really have no choice. Almost all of the income is spent on food.

In addition, in the lower income, we tend to concentrate most on your physiological need. The basics, food, clothing, shelter. There is also no scope for one to consider spending on the other areas, of let us say 60% is spent. So, in discussing a VAT system we have to ask the question, "What provisions would be made for those individuals in the lower income group?" I have heard of plans for a survey to determine the impact on pensioners. That is one vulnerable group. I do not think that we would need a survey to work out that if bread and flour would increase in price, those of us who are from very poor homes are aware that almost always you had bread, bakes, fishcakes, all these things are made from flour. These are the things you need to keep you going. So we have to think carefully about it.

I am told that the Democratic Labour Party in recommendations made on the VAT system, a suggestion made that \$20 million be reserve to alleviate the incidences of this VAT system. The burden of the VAT system on the most vulnerable groups in our community. We tend to focus on the developed countries as we talk about what we are doing in Barbados, but in Canada where there is a goods and service tax, as it is called, all vulnerable groups, those individuals of less income and in the lower income categories claim a goods and service tax credit.

You file an Income Tax Return whether you pay income tax or not. You file a return, and in that return you claim a credit for the tax which you paid on those goods and services from the year before. It is refunded on quarterly basis over the following year. I am not here to make suggestions to the Government, but I think the Government has to accept that this Value Added Tax is going to be very burdensome on the lower income groups in this society.

I heard a Government Senator said that planning to join forces is not a political thing. What is interesting is that the moment you get Government you want people to join with you, but when you are in Opposition you can only criticise. We do not have to join with the Government in supporting a Value Added Tax system. As a matter of fact, the Democratic Labour Party, when in Opposition, we went out front in a public education programme on the VAT system. We brought in consultants from the VAT Unit. We brought in consultants from Peat Marwick and Coopers and Lybrand and we hosted VAT seminars in this country.

Mr. DEPUTY PRESIDENT: Order, please. The Senator must be able to make her speech while the others remain silent. Thank you.

SENATOR Mrs. A. P. THOMPSON: Thank you, Mr. Deputy President. Thank you very much, Sir.

It must go on record, Sir, that although in Opposition, the Democratic Labour Party recognises the importance of making sure that Barbadians are aware of the burden that will come to bear when this system is introduced. We went up front. From last year we were conducting seminars on the Value Added Tax system.

Sitting in this House from last week, and even today, I saw one of the gentlemen who sat as a consultant on our VAT seminar. We had a number of people there who were very concerned. I have to join in the call to make sure, because it is alright to pass legislation, but I have to be very concerned about the people out there who will suffer most. Not everybody is keen on sitting in front of a television and watching something saying, "You pay this, you pay that." Not everybody is concerned about taking up a newspaper and trying to read it. Many people do not come to grips with these things until they begin to feel them.

We must devise ways of really getting home to people. This is calling for a whole new change in the way people think. This is an attitudinal change to how you order in your lives. You are talking about a tax that is now going to touch on almost everything that you do as an individual in Barbados. So it is reordering people's lives. We are asking for a change in lifestyle. A lifestyle change cannot happen suddenly, neither can it happen overnight. It is very

important that we get out there and we make sure that people understand what it is all about. That is all I have to say at present.

I am in Opposition. I am a consumer like other Barbadians who will suffer the burden of VAT like other Barbadians. I am saying now to the Government, "Get ahead and introduce your VAT."

SENATOR THE HON. P. C. GODDARD: Mr. Deputy President, I rise to support this Bill, and to commend it to this Honourable Chamber. I think that we have had some excellent presentations today, particularly that of Senator Barker who clearly and didactically, and specifically showed that there would be a broadening of the tax base, and that it would probably have a positive impact on the quality of life in Barbados. That there would be an overall reduction, in time, in the cost of living.

I think there has been an effort in some quarters to place fear in the minds of people over the introduction of VAT. It has been an undefined fear. It has been a sublimable planting of fear, and I think that this type of propaganda, this type of communication to the general public is very destructive. I see, too, Mr. Deputy President, that there was some special pleadings for zero-rating different special interest groups. If we were to take a basket of countries that have done various exemptions, and so on, we will end up with a basket of no tax. The best way to have tax administration, is to have the fewest possible exemptions. It cuts the cost of administration. It reduces the incidences of avoidance or evasion, and it is much more fair to the general population when the tax base is evenly spread.

Now, Government has stated its objective to ameliorate those that find themselves in distress. The best way to do this is to increase the pension, or to increase direct payments to the individual.

2.35 p.m.

These are things we must look at. I think that is the most equitable way, it is the fairest way and it is the least confused way to address the problems of those in the greatest need in our society.

Now, Mr. Deputy President, I think you have got to recognise and it must be repeated that the VAT is going to replace 11 taxes. Now the cost of administration of 11 taxes, not only to the Government but to the business community, is astronomical and who do you think pays the cost of administering all those taxes? The consumer. When that cost is removed and simplified you will find that will be an additional benefit to the consumer who will not have to pay that cost so the implementation of this VAT has many positive aspects to it.

I am continually disturbed by the number of people in our society that can look at a glass that is half-full and see it half-empty. There is obviously much confusion in the public's mind about the impact of VAT. I recognise that people are always fearful of change and they always assume the worst. However I was very heartened to hear from Senator Murray that the Government fully intends to implement a wide ranging and thorough public education programme, to involve the business community, particularly the professionals in our society, the accounting firms, the tax advisers and so on, and in this process to educate the general public and the business community about the business administration of this tax and about how the tax will work. I think with this public education programme you will remove some of the fears that surround the implementation of this tax and I think that people would welcome some significant reductions.

Now CTUSAB has brought up one point where it wanted a zero-rating for school clothes for example. Now that is one of these emotive things. We all know that we need to help school children, we need to push education and we would like to make this process as easy as possible but in truth and in fact the indirect taxation of school clothes, the consumption tax and stamp tax for the imported material is enormous and the reduction by implementing VAT is quite significant so the VAT already benefits the school children in the level of taxation that goes on to school clothes.

Now you can also understand, Mr. Deputy President, that when you start talking of school clothes you have some 18-year old broad back young men in sixth form that wear clothes that are larger than many men working in Bridgetown so it would be difficult to sell a VAT free shirt to one of those gentlemen and a duty paid VAT shirt to someone working on Broad Street or Swan Street or in Baxters Road. So you can understand now the sort of confusion that could arise from these exemptions.

As I said before, Mr. Deputy President the fairest way is to put the tax on the broadest possible number of goods and to apply the tax evenly. I think this is a progressive tax move. I think it will benefit our economy. It will streamline our tax administration and I wholeheartedly commend the implementation of the VAT to this Chamber, Mr. Deputy President.

Mr. Deputy President, I move that this Bill be read a second time.

The question was put to the Senate and agreed to.

On the motion of SENATOR THE HON. P. C. GODDARD, Mr. DEPUTY PRESIDENT left the Chair and the Senate went into Committee on the Bill, SENATOR Miss O. P. SYMMONDS in the Chair.

COMMITTEE

MADAM CHAIRMAN: The Senate is in Committee.

SENATOR THE HON. P. C. GODDARD: I move that this Bill be taken in parts.

The question was put to the Senate and agreed.

Part I – Clauses 1 to 6 were called and passed.

Part II – Clauses 7 to 12, were called and passed.

Part III – Clauses 13 to 28, were called and passed.

Part IV – Clauses 29 to 32, were called and passed.

Part V – Clauses 33 to 42, were called and passed.

Part VI – Clauses 43 to 54, were called and passed.

Part VII – Clauses 55 to 63, were called and passed.

Part VIII, Clauses 64 to 70, were called and passed.
2.45 p.m

Part IX – Clause 71 was called and passed.

Part X – Clauses 71 to 103 were called and passed.

Part XI – Clause 104 was called and passed.

Part XII – Clauses 105 to 111 were called and passed.

First to Fourth Schedules were called and passed.

On the motion of SENATOR THE HON. R. R. FARLEY, Madam CHAIRMAN reported to Mr. DEPUTY PRESIDENT the passing of one Bill in Committee and Mr. DEPUTY PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR THE HON. R. R. FARLEY, the Bill was read a third time and passed.

ORDER NO. 4 – SECOND READING OF THE FINAL APPROPRIATION BILL, 1995-96

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, the Final Appropriation Bill, 1995-96 before the Senate is part of the Constitutional requirements for the governance of this country. Section 109(5) of the Constitution basically requests that all supplementary expenditure voted by the House of Assembly pursuant to subsection that the Minister is required to lay as soon as practical or he may introduce to the House of Assembly before the end of the financial year or as soon as practical after the

end of the financial year an Appropriation Bill which would basically include all of the supplementary expenditures which would have been accrued by the House of Assembly. Accordingly, Sir, this particular Bill is before us. The figures that are contained in this Bill will represent supplementary expenditure approved by the House of Assembly during the financial year 1st April, 1995 to 31st March, 1996.

It is important to note or to reassert that fact, Sir, so that this be not construed as additional expenditure that is being approved. This is just part of the Constitutional requirements to bring the supplementary Resolutions together in the form of an Appropriation Bill. I just want to note the fact as well that the figure including this Bill of \$101 million, \$781 842 really represents in net terms a difference between the Approved Estimates for 1995-96 and the actual out-turn of something around \$8.5 million. So that in effect, Sir, as part of the review process which is as a matter of policy undertaken by this administration during the course of the year, particularly at the end of the financial year, areas where there will be savings and expenditure below the level as represented in the Estimates approved by the House of Assembly at the beginning of the financial year, then decisions are taken in terms of areas such as new programmes and other areas in which the expenditure can be made without changing the overall fiscal position.

So that the net difference of an increase in expenditure between what was proposed at the beginning of the financial year and what actually occurred at the end of the financial year in spite of the \$101 plus million in supplementary expenditures approved was really \$8.5 million.

Sir, the matter really before us is one of a Constitutional necessity as required by section 109(5) of the Constitution and I beg to move that this Final Appropriation Bill be read a second time.

Mr. DEPUTY PRESIDENT: The question is that this Bill be read a second time...

Aside.

Mr. DEPUTY PRESIDENT: I would wish that Senators who want to speak please stand in their place. If Senator Rickinson now wants to speak, she must do so but in the future any Senator who wants to speak should stand in their place.

SENATOR Mrs. P. E. RICKINSON: Thank you, Mr. Deputy President. There are just a few comments I would like to make in connection with this Bill under Sub-programmes Zero, Head 36 – Ministry of Health, HIV, AIDS, Control and Prevention Programme. I would like to

note that AIDS and HIV Prevention Programme is planned to be implemented into the schools. It is an excellent thing but I feel that one needs to implement a broader programme of education of health prevention into the schools as opposed to concentrating on one condition. 2.55 p.m.

There are many other serious conditions that the children need to be taught about, like tuberculosis, sexually transmitted diseases, in addition to AIDS and HIV. AIDS and HIV should be part and parcel of the health prevention programme as opposed to a programme that is very, very specific.

Another comment I should like to make is with regard to the same Head – Queen Elizabeth Hospital, \$9.45 million – and with regard to a statement being made I would like to mention that the Eye Department, the extension at the Queen Elizabeth Hospital, is not viable. What I should like to say is that when one is thinking in terms of health one does not think in terms of health projects being viable. The benefits and the cost cannot be seen up front. For example, glaucoma and cataract are very common in Barbados and lead to blindness, which leads to increased health expenditure on the part of the Government and decreased resources of the family for persons who cannot see. There are appointments, there is a waiting list of anything up to two to three years for some of the patients in Barbados waiting to get eye treatment. In other words, one needs to start utilising this part of this institution and not to look at in terms of whether or not the immediate short-term returns would exceed the cost of starting this department. It is a big problem in Barbados and it needs to be dealt with. Those persons who can afford to pay for private treatment do not have very much problem, but those persons who cannot afford to pay have a very long waiting list.

I should also like to speak on Head 36 – Subprogram 12 – Sanitation Service Authority, just over \$2 million. I should like to make a plea for some communication to be made regarding the proposed siting of the dump in St. Andrew. We need to know more about this.

Aside.

SENATOR Mrs. P. E. RICKINSON: We need to know more about the scientific landfill where garbage is going to be dumped. We need to know much more about this, it just keeps coming up by the way all the time without any proper discussion. I feel that the time has come for us to have Select Committees in the Senate where one could discuss these things fully.

Another short statement I should like to make on vector control, Subprogram 11. Mr. Deputy

President, there is an epidemic of mosquitos in the island. I do not know where they are coming from. They are giving us a lot of eczema, including myself, and the insecticides do not seem to affect them and they are getting bigger and fatter and bigger again. I do not know what the answer is, but I think we need to increase the cadre of persons who go around spraying the various areas. I notice that fogging has started, but the fogging only kills the adult mosquitos. We cannot expect tourists and visitors to come to our country and be eaten alive by the mosquitos. It is not that we are not keeping our surroundings clean. I have checked and I do not have any stagnant water, yet day and night these mosquitos are flying around and making one's life miserable. We do not really want to have another scare of dengue fever. I am hearing in the background one is talking about sand flies. I feel we need to find out how one can control the proliferation of sand flies.

Mr. Deputy President, I know that special attention was being paid to the Queen Elizabeth Hospital. We are anxiously awaiting the report from that Hospital regarding the development of what is happening with that institution, because I note in the *Official Gazette* that two of the top nurses have been appointed to act until February and we would really like to know what is going to happen to the nursing department within that institution. One needs to have a Head, someone young with vision, who could take the institution into the 21st century and it is hoped that developments can be made within that area.

I support this Bill.

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, I beg to move that this Bill be now read a second time.

The question was put to the Senate and agreed to.

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, I certify that this is a money Bill and I beg to move that it be read now a third time.

The question was put to the Senate and agreed to.

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, I beg to move that this Bill do now pass.

The question was put to the Senate and agreed to.

ORDER NO. 5 – THE EDUCATION (AMENDMENT) BILL, 1996

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, I rise at the beginning of the Second Reading of this Bill to invite Senator Forde, Parliamentary Secretary in the Ministry of Education, to take charge of this Bill.

SENATOR Miss C. Y. FORDE: Mr. Deputy President, I wish to make some comments to do with this Bill and I trust I will be able to inform Barbadians further of the plan and to ease off some of the problems that are being identified by some of our detractors who, to my mind, have taken the Bill and thrown it out of proportion and a number of people may be confused as a result.
3.05 p.m.

The rationale behind this amendment is to do with the evidence that we are having nowadays as to the numerous problems that are in our society and are penetrating our schools. A number of the things that are happening are contrary to what we knew when we grew up as young people but we recognise that the things that happen in society will impact on what happens in our schools and in our homes. It causes a serious breakdown in law and order as well as it destroys the moral fabric of our society, those morals that our foreparents have worked so hard to instil in us. We find that there are serious problems in that respect.

Some of them are to do with respect for law and order and authority as well, discipline in the schools, modesty in dress, and management of time. Many young people find it difficult to concentrate and manage time well to assist them in their education. As a result of this kind of display we find that the number of children who are suspended and in some cases expelled from the schools is climbing and we therefore need to take cognisance of that and put systems in place to deal with such problems.

In discussions with principals and teachers in our various public and private secondary schools we have been able to identify numerous problems but because of lack of resources, the suspensions are not as readily dealt with as we would like. Our public secondary school principals have estimated that there are approximately 200 suspensions annually. The in-school suspensions that we all know of that worked for us seems not to be as appropriate to deal with the particular problems that are now showing their ugly heads. These unattended expulsions and suspensions create further problems. In particular, the expulsions where the student is out of the school altogether and therefore gets further involved in the deviant behaviour which we are recognising.

Mr. Deputy President, Sir, these actions help to impact heavily on our other social agencies. When we do not attend to the problem and we put plaster on it, it gets worse and as a result of that, the social agencies like the welfare department, the probation office, the police department, the juvenile liaison scheme and the health facilities feel the impact as well, usually in a monetary way because we have not corrected those serious problems that show their ugly heads...

The problems associated with the suspensions have become varied and complex. Some of them are to

do with the experimentation of drugs, illegal substance abuse, tobacco and alcohol, fighting with weapons and objects, both on and off the school premises and in uniform, blatant disrespect for authority, inappropriate, violent and angry outbursts, damaging or abusing school property, truancy and violation of school rules.

In spite of concerned efforts from principals, teachers and other members on the school compounds, these problems continue to rise. There is lack of manpower, physical space, equipment, materials and so on and the in-school suspensions, as I said earlier, is not having the impact that we expect it to have.

Mr. Deputy President, I mentioned earlier that our society has been founded on the premise that respect for law and persons in authority is essential for good human relations. Discipline and self control are two of the building blocks for a peaceful and harmonious society. Orderly conduct is vital for the good teaching and learning environment. Therefore, Sir, students who seek to behave in such a manner that the equilibrium of his or her school is disturbed, must be removed from the classroom until such time that his or her behaviour conforms to the behaviour of the majority of the student population in the school.

The Ministry of Education Youth Affairs and Culture therefore seeks, through this legislation, to develop and implement a strategy which will address the needs of this segment of the school population. The out of school suspension or OSS programme will rehabilitate and nurture and will be implemented during this coming school year at a Centre that has already been identified. The Centre will offer special services to students who will have been suspended from school for 5 or more days. It will cater to students who exhibit perpetual violent or disruptive behaviour, persistent indifference to school rules repeated, rude, disrespectful behaviour. It will cater to those students for whom the in-school disciplinary action does not appear to be working.

Sir, a Committee has been set up and has been giving us assistance in working on that aspect of the programme and has outlined some objectives which we find are child centred. For too long many of the things we do in Barbados seem to be focussing on what the adults want, but we forget that children have emotions and feelings and some of the programmes we planned to do, do not cater adequately to the needs of these students. Therefore, some of the objectives are to reduce the number of repeat offenders and lessen the likelihood of expulsion from school, provide a therapeutic environment for students suspended out-of-school, help students to develop effective coping and conflict resolution skills – I think that is extremely important in the light of the violent reactions we get for simple actions that take place on the compound or

even in the home environment – help students to improve self-esteem and inter-personal skills.

We find many of our nerds in the secondary schools. Their self-esteem appears to be very low and I know that a number of commentators make their own comments and arrive at their own solutions regarding this but I think that that needs to be further researched as well.

"Reduce and eliminate negative behaviours, encourage students to improve their behaviour and enhance their personal, social and spiritual development and attitude towards school and the wider community."

The last one is to involve parents or guardians in the developmental process of their children or wards.

The programme, Sir, will be modular based and it will be in the following areas: the value of education and citizenship, healthy life styles, in connection with nutrition exercise, hygiene, substance abuse, STDs, understanding and managing sexuality, conflict resolution and anger, decision-making, thinking, critical rational and positive, effective communication, cultural heritage and leadership skills to mention some of them.

Currently, Mr. Deputy President, the in-school suspension is executed where a child is given certain sanctions, detention which all of us would know of, e.g. lines, withdrawal from certain activities in the classroom if there is something the children like. It worked for many of us in our time, Sir. Unfortunately, nowadays it seems to be chicken feed when the children have to be given these. It makes a mockery of what we do. They jeer and they laugh at some of those forms of sanctions. The child is withdrawn in some instances depending on the severity of the felony he or she commits and the guidance Counsellor will assist in identifying the problem and treating it at that level. However, the concept of out-of-school suspension is an interesting one which I am fairly confident should have some benefits and good results not only for the students but for parents and teachers and other individuals in our society in Barbados.

I wish, Sir, to highlight some of the problems that have been experienced in our schools in the last 6 months rather than go too far back. These problems have been escalating and they seem to be becoming even more dangerous as time goes on. I visited a secondary school recently where there was one full classroom of all damaged furniture that was fairly new. Legs broken off. They were destroyed. Walls were defaced. In other institutions, light fixtures were broken out from the ceilings and from the walls, cords were ripped off, and you could see that some of them would have been currently put in place. That is the way that some of those young people seem to be able to want to deal with their problems.

3.15 p.m.

Destruction of wash basins, toilet bowls, especially at the end of term. I consider that to be very serious too. Willful destruction of windows, doors, equipment, materials, and otherwise.

There have been numerous dangers and threats to the lives of students, teachers, and other members of staff on the schools' compound. There have been verbal threats, "Will shoot," "Will kill," actual attacks with weapons, stabbing with scissors. Some students have been found with ice picks, cutlasses, meat cleavers, to mention a few. A student struck a teacher with a piece of 2 x 3, almost had the hand broken. The teacher had to have some leave at home. There is a particular incident which occurred recently where a student was being flogged by his father in the presence of the Principal, and that student reached over, grabbed the Principal's tie, proceeded to choke him with it, tore his shirt off clean. Luckily, the Principal was wearing a vest on the inside, and that saved him that morning.

I had a personal conversation with the individual, and the individual said, "I did it that morning because I could not control myself." Why not? "Because I had just had cocaine. I felt really strong and I grabbed the Principal, and I knew what I did after the incident."

A teacher had to stay in a room for a few minutes recently, because a child waited on the outside with 2 stones. "Come out here today or let me destroy you." A teacher was sitting in the staff room and a child stood up, a child who was considered to be very quiet, full of discipline, but that day when the teacher spoke with that child, that child was so angry, the teacher barely slipped into the staff room and sat. The stone come through the window, struck the teacher on the face, a serious injury again. I do not think that teacher has come back out to work yet.

Those are some of the incidences that have been occurring on the schools' premises. Not even to mention tyres that have been cut and flattened. Cars and other vehicles that have been scratched all along the sides, and it is interesting to note that much of this information is either fed to the Ministry through concerned parents, concerned teachers, some principals do report the incidences, but many of them are swept under the carpet. If I were a principal, I would want my school to look the best, because parents are fairly concerned about some schools, and how they are highlighted in the media. I think that it is very unfortunate, but at the same time the individuals in the school must all be protected. The school must be seen as a haven. It must be similar to the home where the child could feel free to fall asleep anywhere in the house. That is how I think a home should be. I am of the opinion, Sir, that a school should be a safe haven, and therefore those are some of the things that have been highlighted.

In one incident, during Term 2, a report was fed through to us, "There is a pipe gun in the wash room, and the janitor is afraid." The child was identified as well. We had to request a written report on the incident. That should not be the situation. So this legislation is to help us to be aware of some of the problems, and the "out of school suspension" is a way of doing it rather than putting that child out into the society where he might have developed the violent behaviour, or the addiction to the use of the illegal substance. That "out of school suspension" is a facility where we would want to look after that particular need.

The final one I want to mention, Sir – because searching and finding things that have been stolen in the school, that is also including in the Act – is to do with a student, around week 3 or 4 this last term that started in April. He went to a visitor's house and stole US\$780. He was leaving home to go to school, but went onto the compound of a guest house or hotel to take that kind of money away. Those are some of the incidences, Sir, that are happening in our schools. I think that we need to make some steps forward in trying to address the problems.

We are all aware, Sir, that it is a societal problem, and what happens in the society would filter into the other agencies in the community, but we would want to make our schools a safe haven for every individual, whether it be a parent who visits, a stranger, or the principal and teachers, as well as the students who are under their care.

Sir, the objectives I mentioned earlier cannot be achieved to the fullest if our children are not given a sense of safety while at school. Mr. Deputy President, students cannot achieve their fullest potential if our focus in the schools is not child centered. If the child is suspended, he goes back into that threatening home environment. He has the opportunity to continue whatever behaviour, whatever habit he had developed, and also for that to infiltrate into the school when he comes back from suspension. He would not be doing any home work, he would not be monitored. Sometimes parents are helpless, they do not have the necessary skills to cater to the needs of those children who are displaying such behaviour.

In order for the school to solve the problem, one must identify the problem, preferably in the early stages or before it really becomes a problem. I think that is the role the Juvenile Liaison Scheme is playing. The Juvenile Liaison Scheme is not only set up for a young person who commits a crime or commits a felony or displays some kind of disruptive behaviour. It is when that problem starts to show, that the child being linked with the Juvenile Liaison Scheme can get the necessary assistance to save him from becoming an offender. So the would-be offender, would be the person to be linked up with the Juvenile Liaison Scheme.

In Barbados, Sir, we are not as proactive in our action as we should be. We in this Ministry, Sir, are willing and we are able to put systems in place to eliminate some of the problems that are experienced in our school, that our teachers, parents, students and children have been crying out for over the last few years.

Mr. Deputy President, I am unhappy with the incidents which occur in the school, and it is a fallacy for many Barbadians who are of the opinion that when one has not got children then one cannot have feelings for individuals and the way they suffer. I have heard many made mention of teachers who have not got their own children to say, "She does not have any children, or he does not have any children, so they do not know how we feel." It is a fallacy to think in that manner.

All of us as Barbadians have feelings for each other, and I think that is how we should go. It is a unified front that we should show, and we should all go forward with human feelings that every individual, despite colour, class, creed, or age is a human being. Therefore, I am unhappy as to the situation, and I feel that some other measures should be put in place in order for us to develop wholesome practices that would be of benefit, not only to the students and the teachers in the school, but to all Barbadians in our society.

Mr. Deputy President, Sir, the purpose of this legislation is to formalise the Act and to empower principals and teachers to carry out their duties and responsibilities without fear but in the interest of all, and we expect fairness to prevail. We do not expect Mary Jones' child to be searched and not Peter Public's. We expect fairness to take place. We know that principals are going to use their judgements, like they do now, because many incidents occur where principals are discretionary in their actions, that incidents do not reach the police because some parents are very considerate, very interested in the welfare of their children, and they come in and settle matters amicably. We expect that this aspect of it will continue.

The part of the Act which says that the incident should be reported to the police is with specific reference where a child might be found with even the alcohol, where we have made a small amendment, that will be channeled to the Juvenile Liaison Scheme so that the child can get help, but not that a criminal record will be written there to say, "this child is whatever." We expect that we will be working with the various social agencies in order that we can work together, rather than duplicate the services. We can pull together in the interest of the children in schools.

This Act, Sir, also serves . . .

Asides.

SENATOR Miss C. Y. FORDE: Yes, the police can keep the record, but in a situation where it is a gun or where the child has injured someone willfully. Yes that will happen, but that is what currently happens.

The child who had stolen the \$780 would have been dealt with as would be a criminal situation. There are some incidents where some children have a difference. A child has a scissors and another child teases it. She is doing needle work and she says, "I will juck this scissors in you." It is a situation like that where the principal would be discretionary, we hope, in that situation so that the child would be made aware that he cannot threaten one's life. Yes, you will be using the scissors for that purpose, but you are to have human feelings, and that is not the way to solve your problem.

It is happening now, some students are put in front of a court of law for incidents that they are involved in that create problems for others, but we expect principals to be discretionary, as we know they have been, over the years. 3.25 p.m.

Our theme, Mr. Deputy President, in the Ministry of Education, is "Quality education for all, each one matters". Our detractors are espousing that our children will be made criminals by their teachers and everything else that is negative. Legislation does not a criminal make. How do we deal with these problems, Mr. Deputy President? Do we flog them or suspend them, expel them, place them in the Government Industrial School and leave them there? No, Sir. Our focus is not that. Our focus is not to dwell on the crime or the punishment in this respect. Our major focus is when these children display disruptive behaviour, when these children carry out violent acts, rehabilitate them in the out-of-school suspension programme.

Let us examine some of the scourges and point out how this legislation can assist us. If a child is using illegal substances, as long as that problem is identified through the school, the teachers, the principal, the janitors, ancillary staff as a whole, they have a responsibility, because they make the observances. I shuddered when one individual said to me one day, from second form right up you can see the children with their cocaine or their marijuana. Another one child said to me, when we are using our drugs there is a particular section in the school where the teachers do not walk. Why don't the teachers walk on that corridor? They are afraid. When these problems are identified the ancillary staff have sometimes an even clearer idea than the teachers and the principals in the school. Once this problem is identified this legislation will seek to assist the children through the rehabilitative process.

I mentioned where they will get involved in activities to show them how to resolve conflict and they will

be able to learn certain life skills that are necessary. They will be able to develop proper interpersonal relationships with others.

The child with behavioural dysfunctions – we will identify the problem and seek to alter the same by linking him into the out-of-school suspension programme. Other problems such as truancy, violent behaviour, kleptomania, as well as others, these problems should be treated at the same out-of-school suspension programme.

Through legislation, Mr. Deputy President, and support services the child can be helped over his or her situation. Our aim is not to make criminals out of our children but to help them to fit into society as citizens who are useful and wholesome and can make a contribution, despite whatever level. Whether it be as a mason, an artist, a teacher, a policeman, whatever the problem, it must be altered and the only way it can be altered is if it is identified and the child is channeled into that programme to get the necessary assistance to help him over the problem.

Mr. Deputy President, when this child is suspended from the school in the first instance, what happens to this child? How does he benefit? Does he benefit? I say no, Sir. This child becomes worse. If he is out of school for the first 10 to 15 days he goes back into that environment, no homework, no support system, no one to monitor him, so he gets right back into further problems from his peers in the community who may also be negative. That is into the drug habit that he might have developed in the neighbourhood where he lives and be a product of the aggressive behaviour because of the violence that is around. He would have lost quality time. He would have lost the teaching. He would have developed a callous attitude towards his school because if fairness does not show its face there, then the child sees the school as made up of a bunch of individuals who display favouritism and they treat him or her as a scourge because they do not see the child as a favourite.

Mr. Deputy President, the parents and the family members suffer as a result of the way the matter is dealt with. Sir, when the child is expelled or suspended the problem shifts from the shoulder of the school to another agency or the neighbourhood. When the child is out of school things are quiet, they may go back to normal but what happens to that child and what happens when each school may have to expel 3 or 4 or 10 per year then we are looking at 23 by 3 or 4 or 10 that would be put out there in our society for the situation to get worse, for it to become cancerous.

Mr. Deputy President, this legislation would help to ease that particular problem and save more of the lives that many of us, as adults, give up on and call this generation

a lost generation. It will be a lost generation if somebody does not bell the cat. The time is ripe for us to look after the needs of those young people who need guidance because some of the parents in many instances have not got the parenting skills to deal with the problems that are being displayed. Even people at our level in this Senate. I am talking now about most of us being middle class individuals, our children have problems at times and because we do not want the rest of Barbados to know because this society is a society of gossip, we too sweep our problems under the carpet and these problems we have become cancerous. It all works to the detriment of the child in the first instance but then it also impacts on the rest of the family who have to undergo serious criticisms as well as emotional stress because rather than the child getting better, the child gets worse.

We in Barbados create stigmas if an individual has to be given some kind of treatment. It might be a little streak of mental illness, it might be some aspect of alcoholism or whatever. Barbadians tear down and pull down and cry down. So to go down to the psychiatric hospital to get the necessary treatment you are branded and put into a category. People look down and talk down and cry down and I think we need to move away from that kind of thinking and see that the effort that is made when an individual who is so bold, recognising there is an alcoholic problem, there is a drug problem or there is mental illness, can go to an institution and get the necessary assistance and counselling and medication that would help that person over the problem. When we point a finger we help to make the situation worse.

The out-of-school suspension programme compiles programmes specially tailored to suit the needs of the individual child. Scenario No. 1, Mr. Deputy President, Child X has been identified as having a drug problem. The school determines that he must leave, hence suspension. The legislation determines that he must immediately be placed in the support programme which will also draw him from the home environment or whichever environment it is out there in the community that perhaps helped to create the problem. He gets instructions in academics, in social activities at the out-of-school suspension centre. He is counselled, his family is there as a support system and they too are counselled and they too get the necessary training to help them to deal with the problem when the child comes back into the home environment. Professionals are at the centre who will get involved in the entire rehabilitative process. Mr. Deputy President, this approach is child centred.

Sir, I have mentioned some of the activities that I identified to be child centred. I would not want to repeat them again. That was to do with the conflict resolution skills that would develop, the development of self-esteem and the interpersonal skills and so on and so

forth. Sir, these will all help the child to get back on track, to get involved in wholesome activity which will help him to change his attitude towards not only himself but to others in the community as well and help him to see that his life and his contribution are important to the development of his society.

Mr. Deputy President, is it better to put the child out-of-school and back at home as we did in the past, or is it better to enlist him in the out-of-school suspension programme where he can become involved in these various activities that will help him over his problem and bring about some joy into the hearts, not only of his parents and friends in the neighbourhood but into the hearts of his school mates and teachers and others?

Mr. Deputy President, I have absolutely no problem when the child shows better behaviour, for him to go back into the school system where he can continue to act and lead a normal life like all other students. This is what the legislation, Sir, is about.

I mentioned, Sir, the involvement of the parents, guardians and others in the community where the child lives. They too will get the assistance, the training and the counselling that will be necessary to put them on stream. The beauty about the programme as we envisage it, Sir and as the outline has been put, is that the child will continue to get the education. The activities of the child will be properly monitored. The child will develop useful life skills. The anxieties and fears of the principal and the staff and other students will be lessened. Parents' concerns will be minimized. Violent behaviour will also be minimized. Teachers will be able to carry out their mandate, catering to the needs of all on the schools compound. Parents would be actively involved in helping to shape and mould the lives of their children for the future. Tensions in the society will lessen because many of us in this society have become so afraid that we are building up walls and we are having pit bulls and all forms of protection in our homes because we want to protect ourselves but when the young people in our neighbourhood are displaying the negative behaviour many of us give a blind eye.

This legislation and the highlights here will help people in the community to understand that each individual must look after the other. Neighbourliness must come back into our society. When we see other people's children drifting we are to call them back, point them, guide them, give them the kind word, give them assurances rather than tear down and pull down and make mention of terms that you are going to Dodds, that your father was no better so how can you. To build up walls around us and separate us in our neighbourhood from each other is helping to destroy our country.

We need to be our brothers' and sisters' keepers if these programmes are to be the success we anticipate that they can be. The school alone cannot do it. There is a need for us to use counselling. There is a need for us to pull in the priests. They too have skills in counselling. They too have a responsibility. The church has an extremely significant role to play in helping in situations that we have in the society. Yes, the church is doing things but we are of the view that there is a need for all the agencies, the church, the school, the home, the community to come together and help to push our youth forward.

Mr. Deputy President, I have listened carefully to the comments in the media. I have read some in the newspaper and I have heard many individuals by word of mouth. I want to make this Honourable Chamber aware that the stake holders in education sat in a consultative manner with the officials at the Ministry of Education in order to come up with some of the aspects that are included in the amendment of this Education Act – the Unions, the BSTU and the BUT, the National Council of Parent Teachers Association, the Conference of Primary School Principals, Principals of Secondary Schools, including those in the private secondary schools and other non governmental organisations.

I recognise, Sir, that that aspect of this Bill that refers to the principal reporting the information to the police appears to be a sore point for some. But Mr. Deputy President, as I said earlier, forgive me for having to reiterate it but I know that our principals are tactful in their actions and will settle incidents that they consider not to be too serious. They will use their judgement as they do now. I am sure that they will settle such incidents as they consider not to be too serious in an amicable fashion as they do currently where parents are called in. If it is damage to do with the clock on the wall, if it is damage to do with the window the parents are called in, the parents usually agree, "Yes, I will take responsibility for the payment". Or the child should get "X" punishment or "Y" punishment. That is happening now and I have every confidence that the principals will continue to use their judgement and to carry out their responsibility in an acceptable manner.

Mr. Deputy President, the school is one of our major pillars in society and we have to give the principals the authority to run the schools effectively. They however need the necessary support of all in the society in order to achieve these goals. Some efforts that we have started to look at in the Ministry that will help to tie in with the out-of-school programme and some of the other activities that we want to see promoted in the school for the benefit of each individual in the school who matters to us in this Barbados, would be to do with the parent volunteer programme. When we recognised just over a year ago that hundreds of our parents were unaware of serious

things that happened to their children that they consider to be slight we designed a programme. As a result of finding out that parents did not recognise that death is something that heavily impacts on the children and that it affects their learning.

Emotional, verbal and physical abuse, the shaming, the insulting, the criticizing, telling them that they would be like their father or like their mother, things of that nature, is not the acceptable thing. Parents did not know themselves how to deal in some instances with conflict and therefore the child could not learn it like that.

As a result of that, Sir, the parents' education programme started on June 1. Yes the critics may say it is a drop of water in the bucket but we have to start somewhere. We have solicited the support of the National Council of Parent Teachers Association to touch the various PTAs and sensitise the parents to come to the venues. Meetings are held every Saturday at 3 or 4 venues across Barbados to invite parents to come out and learn a little more as to how to look after their children and their needs adequately.

PAREDOS is spearheading that particular programme in association with the National Council of Parent Teachers Association and I am sure that that \$100 000, is a first start because we intend for that programme to be ongoing. We are catering to some 1100 parents this time around. We expect that next year the programme will continue and we will be able to touch the lives of more parents that they too can acquire the various skills and help to look after their children's needs.

3.45 p.m

We have also recognized that children start to develop problems from the early childhood stage. Therefore, we have individuals who are starting September 3rd getting involved at nursery level to acquire the necessary training so they too can acquire skills as to how to deal with their own children and other people's children when they see them on the road, in the school, at church or wherever. We have delegated some \$50 000 towards that project. That too is a pilot project but we have started to seek funding for more parents to get involved at the nursery level. It is when they develop the skills that are necessary for them to disseminate information among others as well as to look after the needs of the children around them that we will be made aware that the programme at least has started to get off and that people are benefiting so that funding when it is acquired can go into educating more of our people.

Mr. Deputy President, for many years the Ministry of Education functioned with one psychologist and, if you are looking at some 24 000 children at secondary level and approximately 28 000 at primary level, then we will be

aware that one psychologist really cannot carry out his or her responsibilities as effectively – that it can impact on the lives of those children who start to display undesirable behaviour. This year we have sought to recruit the services of 2 more psychologists so we can expand the School Services Department. You will agree with me, Sir, that if the children are showing certain dysfunctional behaviours then there is need for the psychologists to become actively involved. The School Services Department at the Ministry is now catering to the needs of others under the guidance of 3 professional psychologists.

The Youth Commissioners who have been identified to assist the Youth Affairs Department will be pulled into this whole effort because they are the ones who are at the community level who will become familiar with the individuals and their problems and help to point them in the direction that they should go. So the Youth Commissioners can feed the information to the School Services Department to the various schools to help those children who have problems to overcome those ills.

The resources of the agency are also being tapped where meetings have been set up and some meetings have already been held where officers from the Probation Office, Welfare Department, Juvenile Liaison Scheme among others have been meeting in a collaborative process. They have been looking and pointing at the various problems and discussing how we can tackle them as time goes on.

Mr. Deputy President, the introduction of the code of dress and discipline last year was a step forward in the direction of bringing about law and order into our schools. Guidelines are being prepared and they will be administered to assist the principals and members of staff at the various schools by sensitizing them and helping them to carry out their responsibilities in the light of this amendment. Training sessions will also take place with teachers, parents and others to help to make them aware of their responsibilities and their roles in the whole process.

Mr. Deputy President, it is with these remarks that I will support and commend these amendments to this Honourable Chamber.

I cannot go right ahead and take my seat, Sir, without extending sincere thanks to the various agencies and the stakeholders who have so ably assisted us in helping to put forward the various proposals. They were crying out for help, in particular the principals, teachers and others at the schools and the parents were crying out for help. We have sought to find a way of helping them to tackle the problem not by imprisoning the children or putting a criminal record to their names. That is not the gist of it. The gist of it, is that when these children show or display such behaviors they are channeled into a system that will help them to overcome their problem. So I wish

to extend sincere thanks, Sir, to the technical staff of the Ministry of Education, the staff of the Attorney General's Office, the stakeholders who devoted their talents and energies into helping to put their proposals forward, media personnel and other interest groups for their guidance and support in these areas as well as, Sir, other Barbadians who continue to give their various support such as the NGOs, the Lions, and PAREDOS and other agencies. In particular, Sir, I want to make mention of the School Attendance Section of the Ministry who work extremely hard particularly in the bus stands. Therefore, I want to thank those other agencies who made us aware of some of the problems. Our aim is to protect the life and welfare of the students. We intend to work as a team. We intend to strive for the upliftment of our moral standards which have served our generations in the past. We must reclaim lost ground. This effort is a national effort. We need to mobilize other Barbadians in an effort to stamp out some of the scourges which so heavily impact on our society. This is a time when we must work together for the good of all Barbadians.

Mr. Deputy President, there are quite a few other things that I would like to touch on, but I will give way and solicit your support in this national effort where there are several havens where everyone feels safe and can educate our children to their maximum potential. I thank you.

SENATOR C. A. MASCOLL: Mr. Deputy President, this is not an easy debate because it is not a political debate. There is no political mileage to be had in this debate and, therefore, this has all to do with understanding the future of Barbados and seeing how best we can influence that future. However, we first of all must identify whether or not there is a crisis in terms of the behaviour of our school children and to what extent we are trying to remedy the things we identify. When one listens to the debate today, there is obviously some concern because I am not sure that the problem has truly been identified. We were told by Senator Forde that there are approximately 250 suspensions. The reason why I am saying that is that in the White Paper at page 84 it says that over the past 5 years there has been 400 in the year at 22 secondary schools.
3.55 p.m.

I am saying that it is not so long ago we have had these figures being reported and now we have alternative or other figures being reported, so we are not quite so sure what really is the magnitude of the problem when we use figures emanating from the same source. Therefore, that in itself constitutes a difficulty, because the extent to which we intend to put forward legislation to deal with the problem has to be determined within the context of the magnitude of the problem. To put in place legislation too

heavy to deal with the issues that cannot be considered to be a crisis may be moving in a direction that is not necessarily desirable.

First of all, there should have been full identification of the problem as is constituted. Certainly I intend to support my position, my concerns, by way of reference to information which has been put in the public domain, and again I am going to reference the White Paper, because in the White Paper on Education Reform there was a survey conducted by Richard Carter who, as we know, is Director of Youth Affairs. In that survey some questions were asked specifically about suspension and expulsion and in fact Questions 10 to 13 of the survey – and these are the students whose opinions are being solicited, which is the right thing to do in any case –

"Do you think students should be suspended from school?

Do you think students should be expelled from school?

If yes, expand."

According to the information provided in that survey, there were about 75% of the students who thought that students should be suspended when they dealt with the issue of suspension and expulsion. Of those respondents who felt students should be suspended, 44% indicated students should be suspended for violence, another 34% for abusive or serious misbehaviour, and smaller portions supported suspension for drugs and smoking, that is, 10% felt that students should be suspended for drugs and smoking and for the carrying of weapons, 12% of those who supported suspension felt that there should be such suspension for carrying weapons.

This is important, because we need to understand, as I said before, the gravity of the problem before we can in fact seek to put measures in place to deal with these problems. What is more important, I think, in this whole thing is that there was some reference to out-of-school suspension in the White Paper and at page 86 of the White Paper – and this is where the contradiction really starts –

". . . . the first time the student is reported to the Authorities, he/she should be placed on a daily report for a given period of time. This system would allow the schools staff to monitor daily the student's conduct/progress. If at the end of the week, the student's conduct/progress remains unsatisfactory, then the Principal should place the student on in-school suspension."

Here it is that in the White Paper we are being told that there is a very thorough process through which

the student has to go in the event that a crime or whatever, a misdeed or misdemeanour is reported, and that there will be a very logical phased approach of meting out the particular punishment to the school children. Yet still in the new legislation, the Regulations to the Act, we are told here:

"Where any pupil of a public school has been found in possession of intoxicating liquor, a controlled drug, gun, offensive weapon or any article that has been reported stolen the Principal may, where the pupil is so found

- (a) for the first time, suspend the pupil for a period not exceeding 15 school days; . . ."

Again, one is questioning where has this piece of legislation come from. It seems not to be in concert with the White Paper on Education Reform, Each One Matters, Quality Education for All. We were told in this document that there is a process which has to be followed. We cannot seek to impose such harsh measures on first offenders, we are going to put them through a process where, in language used by lawyers, they can be criminalised and that we will seek to go through a daily report, then there will be in-school suspension and the final step would be the out-of-school suspension programme which we have heard about today in the Senate.

Have we had a change of heart in relation to the methods of punishment which we plan to inflict on students found deviant? Have we had a change of heart in such a short period of time? Why is it that we have sought in such a short space of time to change the methods of punishment, and so drastically? I cannot understand how such a well put together, well-founded document, loaded, steeped in philosophy could have identified such a process only a couple of months ago and now we are seeing this kind of legislation being brought. Is it that something has happened in relation to the evidence to show that there has been a substantial increase in crime in schools over the last couple of months and therefore a change of heart? If so, how could we have had in this document 400 suspensions annually being identified and now we are being told that there are 200 suspensions annually, which constitutes a 50% reduction, and the measures have in fact turned in terms of how drastic they appear to be? Again, I am confused as to what really is the magnitude of the problem. Has it reached crisis proportions? Do we need to go to the full extent which we are seeking to go in the legislation before us? That really has to be the issue. Can we put these measures in place without full identification of the problem? I am not so convinced that we have fully identified the problem we are seeking to address. It really does require a much more extensive study or survey to be able to reach the kinds of conclusions we are reaching.

Aside.

SENATOR C. A. MASCOLL: No, no. This is not criticism, as I said before, for any political mileage. 4.05 p.m.

I am simply going on the basis of information before me and I am saying that the White Paper was supposed to be the point of reference and departure between the old system and the new system which we are seeking to put in place and that the evidence therein does not suggest that the problem is of a crisis proportion. Therefore, it does not suggest that the measures which are before us are really going to constitute any radical change. But that is not the important thing, because we can differ on the whole question as to whether or not the issues constitute a crisis or problem and the extent to which we need to put measures in place to correct that crisis. That is really just the end result.

There are several difficulties which we see coming out of the survey which was published in the White Paper and maybe even though the survey was not extensive it can point us to certain directions. Several areas here suggest that there are other areas related to teaching, the whole question of schooling which constitutes major problems for our children within secondary schools. Therefore they have to be addressed.

The whole question of misbehaviour which we see in terms of liquor and drugs cannot be blamed strictly on the educational system and therefore there are more problems which we have to address in order to deal with the fundamentals of the problem before we can seek to put these kinds of measures in place.

As I said before, I am going on the basis of the information contained in the survey which should have been the starting point for making these recommendations. Page 9 of that survey when questioned about the students' level of confidence in relation to the overall goals at school about $\frac{3}{4}$ of the respondents rated their chances as being very good, that is, that they can get through in the school system within the context of the objectives that have been set both by the school and personal objectives. In fact, the report does say that while this does not represent a crisis of confidence it does indicate a degree of weakness in the level of confidence which students feel either in their own abilities or in the school as an institution in respect of realising their goals.

This report is suggesting that we have not yet reached that kind of crisis. Since no one else has the information to determine the overall difficulties which we experience in the school, I can only go by this kind of information which I have before me. Those who have elements of

information can introduce it into the debate but so far this evidence is here.

The other thing is that there was admission that there was only one psychologist in the entire welfare service unit and that this would be expanded. What I wish to know is what really is a staff complement that is required for the OSSP, the Out-of-School Suspension Programme. Do we really now have the resources to be able to staff that programme adequately? If so, could we hear greater details in relation to the OSSP and what is the intention of the programme.

The other thing is that certainly in relation to the different problems: possession of intoxicating liquor, a gun, weapon, whatever, they constitute different levels of offences and to the extent that that is so, one has to wonder how long would it be appropriate to suspend a student for the various forms of offences which we have identified in this legislation. The other more vexing problem could be this.

It is well known that examinations in themselves bring about stress and that behaviour can change over the course of the term, during the course of a day but that it is maybe important to find out when do we most get these kinds of offences occurring within the secondary school system. I ask the question because it seems to me as though what was contained in the White Paper was rather more humane for first timers in terms of putting them through a daily report and other forms before we reach this level of harshness that is contained in the legislation.

I am saying that indeed if we were to have a second timer who is in the process of sitting exams, then his suspension for 30 days, even 15 days, would constitute a long time. It is not easy in preparing for exams to miss 2 or 3 weeks of school and therefore I am saying that you can anticipate that there would be difficulties in terms of those students being able to catch up with the other students, having been suspended. So I need to be told whether we intend to have a different system for first timers more in concert with what was expressed in the White Paper or have we had such a radical change in the offences that we need to go towards the regulation contained in the Act, Cap. 41.

It seems to me that this one which we are debating constitutes a fairly harsh imposition on the students, and I am most sympathetic towards the contents of the White Paper which we had before us a couple of months ago. Just for the sake of clarity and understanding, what are we really about in relation to providing the kind of environment that is more conducive for students who, from time immemorial, have been making errors and will continue to make errors.

In fact, let us not believe that drinking rum and smoking marijuana is something that just started. I have been in classrooms smelling the fumes for several years. Let us not feel that this is a new problem. These problems have been with us for a long time. Maybe acquiring a gun is far easier in today's Barbados than it would have been years ago but, certainly, access to liquor and other forms of drugs is not any easier than it was years ago. Let us try to understand that these problems have not just emerged and I am asking the question, have we just witnessed in Barbados over the last couple of months such a surge in the incidents of alcoholism among school children and the carrying of drugs and weapons that it constitutes the kind of measures which we see before us.

I am not yet convinced that the problem has reached this crisis proportion. Convince me of it! Do not say that I am seeking to blow hot air! I am saying that the evidence contained even in the survey which accompanied the White Paper does not in fact represent a crisis. I happen to be in the fortunate position of having a daughter in 4th form at Combermere. I do have two daughters. But I have a daughter already in 4th form at Combermere and I understand some of the problems that you will encounter. In fact, I do enjoy – it is also my alma mater – the stories that she is able to tell me now because it has a difference about it being co-ed than it had in my time. It was only co-ed at the higher levels in the 6th form. It is enjoyable to hear the kinds of things that one encounters now in co-ed schools.

I understand that there would be bickering. I understand that people get carried away, especially the youth, but I still cannot understand that we have reached a stage where this kind of thing is warranted.
4.15 p.m.

Let me just go on to look at some other issues. The whole question, on Page 9 of the Survey, we had questions being asked by Carter, questions 15, 16 and 17 where you have,

"Do you have conflicts/disagreements with your teachers?"

"How do you handle conflicts/disagreements with your teachers?"

"Do you have conflicts/disagreements with other students at school?"

Now again, according to the reported evidence,

"Conflict and conflict resolutions have been emerged as important issues in the context in the wider society, and by extension the school system.

Some 43% of the students reported having conflicts and disagreements with teachers. Again, given the social context of the teacher-student interaction and age differentiation in the relation, some level of conflict is expected."

There is no doubt that has always been the case. The thing is, is it now more so than before, and to what extent has it changed? Has it reached the point where we have to take more drastic action? These are the kind of questions that I can ask throughout the presentation, because at each stage the issue becomes, "Has the situation changed dramatically from one point to the other?" In which case what we are concerned with is not the absolute level of crime within the school, but the margin. Has there been a change to the extent that it warrants this kind of intervention on the part of the law?

In any case, I think that we all respect that in my time at school, that headmasters had ultimate power to intervene and to do all kinds of things in order to be able to correct any ills in the schools, in conjunction with the prefects, house captains and the like. What we are seeing now in the legislation, and again you know I stay within my narrow confine. According to the legislation it says that "the principal shall report." Which means that the principal really has no discretion there as far as the law goes. The principal therefore has to report any such incidences to the policeman. Maybe the legal luminaries can explain to me whether or not my interpretation is correct. Given that the principal shall report, says that there is absolutely no discretion in relation to whether or not the principal has to or has not to report.

In fact, whereas before such a thing could have been dealt with within the school, we now have a situation where there has to be police involvement. This is why I think that the whole question of criminalising was used. The whole word came about because it was felt that here you have an individual, who at school over the age of 16, could, in fact, have a criminal record before the end of school. What one is asking here is whether or not that ought to be the case? More importantly, whether or not that should obtain especially for first timers. The legislation does depart, as I said before, in relation to the whole question of first time.

It was said in the White Paper that first timers will go through a particular process. Now we are saying here that almost automatically they should be the involvement of the law in relation to these matters. We should have a rethinking in relation to that. No one, as I said, is seeking any political mileage from this exercise, because this does not constitute a political debate. This is too critical a matter to be seen in a narrow political context. It is about the future of education. It is about the development of young

people, and it is therefore about the investment in human capital which constitutes the most important requirement for furthering the cause of Barbadians and, in fact, the overall economy and the social well-being of this country. This is particularly far reaching in terms of its impact, the impact it can have.

Now, I was saying before, I would be using strictly information in this debate. This debate ought not to be of opinion or gut feel, this is too critical an issue to be dealt with on the basis of gut feel. Therefore, my closest contact to this information would mean a sample provided here.

Now, in questions 18 and 19 of the same survey, the students were asked,

"Do you have conflicts/disagreements with other students at school?"

"How do you handle these conflicts?"

"Are you satisfied with the extra-curricular activities offered at your school?"

Sixty percent reported having conflicts with other students. I must say that is a particularly high level of interference. However what we had, and I read,

"The disaggregated responses on the reasons for such conflict or disagreement, however, shows the most significant reason by far to be the misconduct or negative attitudes of fellow students."

"That is attitude towards each other. Which is something that we experience even within our communities. That really is a process of upbringing. There has to be conflict in order for there to be development. You have to learn to deal with conflict.

"In addition, 17% indicated conflict/disagreement concerning disrespect to other students or teachers."

What is important, it is felt that among the students, that there can be a level of forgiveness. Most of them, thirty something percent of them, forget the event or the episode by the following date. This is something that happened. You got a little aggressive, there was some conflict, but by the following day you are chubby again with your buddy, and you remain classmates. So we have to be careful with the intervention we are seeking to make, because it may not be in the interest of the social environment of the school to have these kinds of interventions on the part of outsiders. That is the law. This, like the precinct of Parliament, should be controlled by the Committees in Parliament, to the Heads of Parliament. I think there is a strong case to be advanced for

students, teachers, headmasters, and the like being in full control of that environment during the hours of school.

Now, we can differ on that issue, but I am saying that there must be a level of discipline that has to come from within the individual, and that the whole purpose of the school is to develop an individual for the society. To suggest that the school has to go outside in order to bring certain laws in order to exercise the control that is required at school, is to suggest that there has been a failing on the part of the school administration, the teacher, and the like, and the whole student body in terms of preparing individuals for the future.

It cannot be the case that a school has to look outside of the precinct to find measures to discipline those individuals within that school. I am saying that constitutes a failing or failure on the part of the school system. It is just like the family. I cannot see why a family needs to go outside of the controls of that family in order to exercise certain measures of behaviour and conduct, in order to bring children up in a way that is considered respectable. When once you have lost that ability, it means that there has been a breakdown. What we are saying that once the schools have lost that ability, there is a substantial breakdown in the capacity of the schools to produce individuals who could be deemed respectable.

Now, if you are admitting that we have reached that stage, then we are saying that it constitutes a far deeper problem, and that the use of legal instrument to correct these ills cannot be considered the most viable option in today's Barbados. It just cannot be considered the most viable option, because all you are really doing is that you are putting in place systems which seek to penalise individuals without necessarily dealing with the root cause of the problem which we are experiencing.

This is, perhaps, an opportune time for the institutions in Barbados, Government, everybody, to find the time to devote to correcting the ills which we are experiencing, rather than seeking further legal instruments to do such. It really is not a long-term solution to a problem that is going to remain with us. It is really a short-term effort at correcting a problem that is long-term. That can never really be a solution for the future. There will be difficulty in terms of understanding the legislation.

There are several other areas that ought to be looked at by the Government, since it is the Government, I am sure, who would have initiated the need for this survey.
4.25 p.m.

I am saying that in fact the Government has a right not just to spend money in order to get certain information and then for that same Government to make decisions

independent of the information which it has in hand. That certainly has been the case as it relates to this legislation. Sir, I am tackling this issue from a completely different perspective. It is not just a question of understanding that there are loop-holes within the legislation which has been addressed by my colleagues in understanding the difficulties that can arise from the legislation. But first of all, I ask the question which is always my approach: Have we identified the problem and having identified the problem have we put the right systems in place to effectively deal with the problem? The truth is that I am not convinced that we have identified the problems which we have in the school system and, as a consequence, any measure which we attempt to put in place are measures which are premised on very false assumptions. We are believing that we understand problems without necessarily being able to put our finger on the actual problems.

In all fairness to Senator Forde, throughout the presentation that came across there was a plethora of references to individual incidences at particular schools over the last couple of months and that there were loaded with emotions of the whole question of the student pulling the tie and choking the headmaster. But the issue is: Have we really conducted the necessary surveys in order to be able to find out the extent of the problems which we are encountering? I am convinced given the contrasting contents of the White Paper and the legislation which we have before us that there has been a quantum shift in terms of how we had intended in the first instance to deal with these issues and what we intend now to do in order to deal with these issues. That for me is saying a lot and showing that we were not quite so sure as was suspected what really were the intentions of the White Paper. What is happening now is that as we enjoin in this session we are seeking to define, re-define, reshape the whole educational environment because we think that it constitutes a major area which it does, but we have to think so from the point of view of what education means to Barbados and not from the point of view of trying to shift the political locust of education. Because apparently we do not want to accept that there is an ongoing relationship between the Democratic Labour Party and education which we cannot dismantle in the minds of the people. Understand that and treat it as a constant and move ahead, but do not try to use the wrong reasons for changes within the educational system because you will not succeed.

On that score, Sir, I am saying that the measures which we are seeking to put in place may be well intentioned. But I am not convinced that they suit the so-called crime which they are apparently seeking to ameliorate. They do not to my mind suit the crime they are seeking to ameliorate because the elements are not there and more importantly the method that we are contemplating is a method which can turn its head on us and cause even greater difficulties for the said people which we are seeking to better in the long-term.

That is my contribution to the debate and, as I said at the start, it is not a political debate. It is a debate intended to give us better insight into the difficulties which we are experiencing among the school children and possible measures that we can use to correct those difficulties. But it cannot be all found in the legal system because they are basically social problems which we are seeking to deal with.

Mr. DEPUTY PRESIDENT: Senator Symmonds.

SENATOR Miss O. P. SYMMONDS: Thank you, Mr. Deputy President. I joined the education system about 50 years ago and during the 40 years that I was actively and officially involved, although entering the Service for about a year after retirement, I spent 22 years in administration. I wish to emphasize that this Bill has been drafted after full consultation with parents, teachers, the unions of which I am still a member of one Teachers' Union, and the National PTA. While I have been in education, I have seen over the years the change from children who were docile, children who were disciplined and obedient, to children who began to want to be seen and heard and there is nothing wrong with that, and children who wished to express themselves and again I think that was desirable. But we saw the other side of the coin of children who were becoming, in some instances, not all, defiant, opposed to law and order and defiant when it came to authority and respect for adults and their teachers and showing a total lack of respect for other people's properties.

So that, Mr. Deputy President, I have seen the erosion gradually of standards. We have often been accused of being a crisis society and waiting until things reach epidemic proportions, speaking metaphorically, before we did anything about it. In this particular instance, this present Barbados Labour Party Government, unlike the previous Government, recognizes that there is an existing and continuing problem and it had the courage to deal with the problem. They did not say that there were no gangs. They have not ignored the problem. The fact is as I listened to Senator Forde's illuminating and at times horrific statements about what is going on in the schools – and I have contacts and I know that all that she has said is based on facts – the fact is that violence has increased in the schools and there is now a widespread drug culture in the system. This Government is doing something that is revolutionary and even evolutionary. It took time and it took consensus and the problems are due as the Honourable Senators who have spoken have said to a combination of circumstances. It is partly a societal problem and the home, school and the church, the community, if you like, have to accept some of the responsibility owing to the pace of life and changes in attitudes of various social interaction and that feeling of responsibility for one's neighbours. So that the education authorities have had to act now and in the

best interest of all. I have seen over the years, Mr. Deputy President, parents leaving more and more of the responsibility to teachers. Many of the parents, I am not saying all but too many of them, are abdicating that responsibility. I know that it is very often because of the pressure of life and the fact that they have to work and because they do not have the support of resident fathers. But they will now have to accept a greater responsibility and realize that if they do not that they will have to pay the penalty, not only in terms of financial sacrifice but be made more aware that they have got to see after their children's moral upbringing in order to avoid the pitfalls that may lead to their being charged.

Those of us who grew up reading the Royal Reader will remember that moral story where the boy asked permission to whisper in his mother's ear and when he did, as a kind of violence, cut off her ear and said, "If when I brought home the first article that I had stolen and you had reprimanded me for it I would not be here being led off to the gallows", as it meant in those inhumane times. Therefore, this legislation is necessary in times like these.

I have given a great deal of thought to the Bill and I support it hesitatingly. I also want to say that searching is not new. Formerly, principals and teachers would investigate any suspicious cases and request the student's compliance. On the few occasions they did not comply, inferences were drawn and appropriate measures were taken to correct the situation of course involving the proper authorities and their parents. But today, Mr. Deputy President, principals and teachers are operating in a different environment. Therefore, they would wish all to be secure and to have any powers specifically spelt out. I am confident as a former principal that parents and guardians and the society at large can depend on the schools and by the schools I mean the principals and teachers to act with compassion and sensitivity as they always have. I know that it is easy to blame teachers as it is to blame nurses, but by and large they do have the welfare of their students at heart.

I have noted with approval the proposed programme for those who have been suspended and I sincerely hope that it will be effective. I have also observed the start of a programme for parents and I hope that this can be extended to reach many more parents by radio and television since at PTA Meetings and programmes of these kinds you reach the converted and those who already possess effective child-rearing skills who interact with their children. Therefore, although I think that it is a very worthy programme, I hope that it will reach those parents who really need it in large numbers. Yet, one has to be resistant to the evils in the wider society and try to keep these evils out of the schools. You may say that the school is a microcosm of the macrocosm but at the same

time children are there to learn. Parents send their children to school in the hope of their being educated not only intellectually but morally and spiritually and that they are going to be trained in a physically safe environment.

This Bill, I think, will help to ensure this and there is so much more I could say and would like to say, but I know that there are many people here and everybody in Barbados is interested in education and rightly so. Therefore, with those few words, I just wish to state again that I support this Bill entirely. Thank you, Mr. Deputy President.

Mr. DEPUTY PRESIDENT: Senator Odle.

SENATOR Miss J. C. ODLE: Thank you, Mr. Deputy President. I rise to support this amendment to the Education Act wholeheartedly and to compliment the Minister of Education for having the guts to just go ahead and do what has to be done after all of the consultation with concerned parties. The Bill seeks to make better provision for the disciplining of pupils and for other related matters. Now the whole question of discipline, Mr. Deputy President, is something that really bothers me because I realize that in this society discipline is breaking down at every turn. So here we have a situation where we are going to have to discipline the children yes, but more than that I think the whole society needs to look at disciplining. Parents need to look at disciplining themselves in the rearing of their children. Too often these days parents are too caught up and too busy dealing with all other aspects of life and neglecting the children. I make this a general statement because quite often across the society, at every level, parents seem to have time for everything and the children are left more and more to their own devices.

Mr. Deputy President, Senator Symmonds in her presentation stated that really and truly parents are leaving the disciplining and the raising of their children to teachers. It is true that children spend a lot of time in school and to this end I would want to urge parents not to rely only on the teachers to raise your child, but be there for that child when that child needs you whether it be before school, after school or if that child is on suspension from school. Those children who are often suspended from school are the ones who have parents – I do not want to say that could care less, but one has to ask oneself if this could really be the case because you go through the 9 months both mother and father not necessarily in a harmonious union or living in the same house. But after this 9 months somehow or the other the burden of responsibility shifts from one to the other. I think that wherever possible that both persons who had a stake in bringing that child into this world need to take more responsibility. If caring and discipline is not in the home, we are going to have to take it into the school to do the disciplining there. There are some who feel that disciplining in the forms that we have

proposed in this amendment, that is the searching and having the out-of-school suspension programme, is just fixing the sore after it has festered and that we need to really look at the source. Society is the problem, we are aware of this but, Mr. Deputy President, if we just continue saying this and do nothing about it we will be worse off in another few years.

Mr. Deputy President, the children themselves, and I deal with a lot of young people in the society at all sorts of levels and within the school system, tell you straight that they wish that there was some method. The children tell you straight that they are afraid and they wish that they could have some sort of scanner or something so that those children who are bringing to school things that they should not bring to school will pose no threat to those who come to school to try and learn. So the children are afraid. This amendment seeks to give permission to those in charge to do searching wherever they feel that there is a possibility that this situation may exist. So I would really want to compliment the Minister on bringing this because the children themselves are going to be more comfortable.
4.45 p.m.

Once the children are comfortable, Mr. Deputy President, they are going to be able to address their minds to the reason for their attendance at school. They are going to be able to produce more, because it is no mean thing if you cannot concentrate. In our working lives we are caught up with some extraneous matter that could pose a threat to us, we can hardly concentrate on the issue before us in our work places. Imagine what it must be like for somebody under 18 years old, seeking to battle with all sorts of other things – puberty, peer pressure – and now this as well? I say thumbs up for this particular part of the amendment.

I think the issue of drugs has escalated at such a rapid rate because a lot of our children in the school system feel less than worthy, for many reasons, parental control being one. Within the school the ability to cope in some instances with the existing curriculum, in some instances where they are not challenged because they may be "slow" in the academic arena and therefore are cast aside as being not worthy of anybody spending any particular time with and on them. There is a saying that the Devil finds work for idle hands to do. This is very true, because when you put a group of young children together, if you do not find some way of identifying each and every child's particular need and working to strengthen them in whatever area they are most comfortable or show the most potential, then they are going to look for other means to keep themselves entertained, and oftentimes this comes with distraction within the classroom, it comes with violence in the classroom and extends outside the classroom into the corridors.

Senator Forde highlighted a lot of areas of which many people are not aware as far as what goes on in some schools. I have witnessed a student with a violent glaring look in his eye, with a large piece of wood – I do not know whether it was a 2 x 3 or 2 x 4 – and he was tearing through the corridors at the school and the other students just stood beside the wall and let him pass. I asked what had happened and they shrugged and said it was just another fight, as if this is an everyday occurrence. There is no way I could just stand back and let this happen, I had to follow the young man to see what was happening and what I could do to try and prevent any possible damage to any individual.

Mr. DEPUTY PRESIDENT left the Chair and SENATOR Miss O. P. SYMMONDS took the Chair.

SENATOR Miss J. C. ODLE: Madam Chairman, if you saw the attention that was given to this incident, children of all ages just appearing as if this was the action, this is what is going on, as if it was a cock fight or a bull fight, because that is what it comes to, the violence in the school has reached such a stage that we really need to put these amendments in place so that when discipline has to take place it is within a legal framework.

I believe that if you spare the rod you spoil the child. To this end I believe that some measure of flogging has to take place, not indiscriminately, as I have been told has been known to happen in some schools, that everybody flogged, everybody hit with whatever. It was a question of everybody trying to defend themselves, it is like open warfare out there in the school system. I would not want to dwell too long on this, because much has been said already.

Senator Symmonds, you have spoken very eloquently about situations in the past when you were involved in the education system and you watched the erosion. I too felt that erosion as a student when I entered secondary school. By the time I left it was beginning to change. Discipline has to come from the top. We need to have in our schools good disciplinarians who can nourish and care for children at the same time, who are not afraid to discipline for fear that the parents of some of those students will come for them. We have known this to have happened. The amendments that are before us – really says that the Principals in schools must have authority to act within reason and not in an *ad hoc* manner to discipline the charges under them. The teachers within the institutions need to work very closely with the Principals and to make sure that these problems can be stemmed before they become an outrage, as they are now, and wherever possible do a disciplining through whatever method, including out-of-school suspensions, before the children get to a stage where the law will have to be called in. We all know what the possibilities would be that instance.

Madam Chairman, I compliment once again the Minister on bringing this. It has raised a lot of debate in many quarters and I get the feeling that a lot of us Barbadians are very happy that this has actually come before us and that we will be able once again to try to get education back on the track it was before. When I say education, not only the reading and the writing, but the entire package of raising children not only academically but with such a level of self-esteem that they need not resort to other substances to make them feel worthy. As we know, these substances often make them display acts of violence and the like.

With those very few words I would like to recommend these amendments to Honourable Senators and hope that we, not only in this Chamber as we sit here and debate it and talk about it, but on a one to one basis do whatever we can outside in our communities, as in the White Paper it says: "Each One Matters" let each one of us take the opportunity to make sure that each one gets a chance.

Thank you, Ma'am.

SENATOR J. A. WORKMAN: Madam Chairman, I rise to play a part in the passage of this Bill to amend the Education Act, because I would want to consider myself as joining the ranks of those of our nation who call themselves right thinking people.

This amendment is one of national importance and must be treated as such. It goes to the very core of ensuring that we have good and ordered society placed in the hands of a future generation, that is, in the hands of the youth of today who will be the men and women of tomorrow. It is a step towards ensuring that the virtues for which we of this generation and the generations which have passed have so hardly fought and striven are maintained and passed on to enure to the benefit of our children, our children's children and generations yet unborn.

One of the great virtues of this Honourable Chamber is the tremendous blend of opinions and views which we are able to bring to bear on every subject because of our own peculiar slant in life. It allows us to look at the same issue through varying eyes and to recognise the Biblical injunction that "all things work together for good".

I have been a little disturbed this evening when the word "crisis" was introduced in this debate, except to the extent that one speaker did say that we normally operate in a crisis situation, but it seems to me that some of us would prefer to let everything that is being done, all of the ills of society, be made known all at once and create a crisis so as to have opportunity to put forward their own views and to further their own personal pursuits.

The magnitude of the problem is not what is really important, it is the gravity of the problem. There is a vast difference between the magnitude and the gravity. One isolated act can be far more devastating because it is graver than many and numerous acts which are not as grave as that single act. Because problems have not emerged, there is no reason why they should be allowed to go unchecked. I believe that this Bill is here as a preventative measure rather than an ameliorative measure. The time has come when we must have foresight and insight and see the ills in society and put in place legislation and other measures to reduce the incidents that seek to reap havoc in our society before more damage is done.

4.55 p.m.

The statement was made about going outside the school. It is necessary for this legislation to bring to bear upon the students and upon society, institutions and organisations which are outside the school because some of the acts which are being committed are intrinsically outside of the school. It is the same thing that happens within our families. When an individual in a family commits a crime it is a matter of concern not only for the family but for the society. So too, with our students.

This Act seeks also to involve persons outside the immediate school compound, the immediate school authority, so as to address and redress the ugly heads which people will allow to be continually raised in our society to create crisis and havoc and the destruction of all we have fought for over these years.

We, in Barbados, Madam Chairman, have a history of being like ostriches. Not those at Senator Bolden's farm, because we don't bury our heads in the sand to escape the reality of the facts before us. We are a society which is prepared, and Senator Forde used a phrase to illustrate the same point, to sweep things under the carpet. It is so easy for us to duck out. About 2 months ago, I was in an office speaking to a secretary and I said to her that we should never be afraid to face the challenge because when we do not face the challenge then we have a problem.

I was pleased two weeks ago to go back to that office and to see that she had it all printed on her computer screen. That is what we need to do: face the facts before us.

I believe that this legislation contains facts. If we were to use an acrostic on that word FACTS we would find some words that I find in the legislation. F for Freedom, A for Authority, C for Character, T for Training and S for Sustainability. The whole question of freedom, Madam Chairman, has been addressed for many years and the understanding or misunderstanding of freedom has been used or misused to suit our own peculiar circumstances and purposes.

Way back in the Universal Declaration of Human Rights 1948, Article 1, it was stated that all human beings are born free and equal in dignity and rights. The French writer, Jean Jacques Rousseau, stated that man was born free and everywhere he is in chains, suggesting that those freedoms with which we were born are being impinged upon. In 1941, President Franklin Roosevelt in his address to Congress made this statement:

"In the future days which we seek to make secure we look forward to a world founded upon four essential human freedoms..."

Not all human freedoms, four essential. "The first is a freedom of speech and expression everywhere in the world, the second is the freedom of every person to worship God in his own way everywhere in the world – including VAT during services. The third is freedom from want which gives opportunities and the fourth is freedom from fear."

I think, Madam Chairman, that those last two freedoms, the freedom of want and the freedom of fear are being jeopardised by the violence which we have been experiencing at all levels and particularly among our youth in and out of school. So we need to preserve them, but we will find some who will go to that extent even to misuse the biblical injunction where it says that "if the Son shall make you free you shall be free indeed" and to mean that that freedom is to do as we like and they forget that St. Paul also said that that freedom is not to do as you please but to love and to serve.

It is this misunderstanding of freedom which has crept into our society where people feel that they can do as they like. It is very rampant among our youth so we need to ask ourselves how free is free?

I would like to say that I believe the Church must take a great share of the blame for the lack of understanding of this freedom and for some of the violence that has gone unchecked because I feel that the church has kept itself so confined to the so-called hallowed halls and removed itself from community where it should be seen and felt and make its impact. So I challenge the Church Universal to play a part in this effort to rebuild our society and to challenge fearlessly and frankly the injustice, the violence and the inattention of parents and adults to youth in our society.

So, Madam Chairman, freedom is restricted and not active. We have freedom of speech but as we have learnt in here today we cannot be free to say what we want about a fellow Senator if it suggests he or she is dishonest. We have freedom of assembly, but it does not give us the right to assemble in Independence Square without a permit. So freedom must be seen in the context of rules which are placed upon us to preserve, to maintain and

to create ordered society and good life and living and discipline, and to give safety and protection to all of society.

If we were to have absolute freedom we would return to what John Dryden expresses in his conquest of Granada when he writes:

"I am as free as nature first made man,
Ere the base laws of servitude began,
When wild in woods the noble savage ran."

It is to this savage freedom that some of our society would wish us to return, to what they call a freedom of mind. It only leads to a further degenerating of a degenerate society.

I would like to say today and I believe that fellow Senators will join with me in saying that anyone in our society who would wish us to return to this freedom of savage nature must be considered as being void of moral worth. We need to strive to keep our society in check so that people may understand that there are certain values which must be maintained, and, particularly, we as legislators must recognise as I said last week that legislation must be used as a tool for social and moral change, for upliftment and for direction in life.
5.05 p.m.

The violence which we are seeing, the degeneracy of society must be brought under check and must be kept in check, and I believe that this legislation can go a far way in doing just that.

We must ensure now, that the children of today, who are the men and women of tomorrow, will be harnessed, disciplined and trained to be worthwhile citizens for tomorrow, and that legislation is put in place to protect them from themselves, and from the vultures of our society who would wish to misuse our children, and our young people, and cause us to experience again a massacre of the innocents.

The "A", Mr. Deputy President, is for authority. Authority as opposed to power. People confuse authority with power, and this amendment clearly seeks, and does, in fact, give what is required, authority. When we think we have power, we go overboard and we do the wrong thing, but this has set out in clear, precise, and concise terms the line of authority which the teachers and the principal have in dealing with these situations.

One thing, Mr. Deputy President, that I see is lacking is that, there is no provision to deal with the teacher or the principal who having seen the ill in the school, is like the Levite and passes by on the other side unconcerned. I feel that we need to do something about that, because we do

have people in high positions, not only in teaching, but in law and in all other sectors of our community, who are so willing, to lend a blind eye and a deaf ear when they know full well that what they see and what they hear is wrong. This is my fear that the Act has not gone that step further to create sanctions against those in authority who willfully neglect their responsibilities of training up these young ones in the way they should go.

Mr. Deputy President, we find here that the Bill is authority. There is a vast difference, I will say, between authority and power, because when we drive our Suzuki Side Kicks or our Mercedes Benz along the highway at 120 kmph, that is power, but when the tiny policeman comes up and stops you, takes out his book and books you for speeding that is authority. What we require is authority and not power.

The "C", Mr. Deputy President, is for character. That is the root of this piece of legislation. Not to criminalise, but to build character. To put measures in place which will point young individuals towards the building of character. Character is not just good behaviour or bad behaviour, it is an inner quality. It is an inner nature which needs to be groomed, which gives well-being and fulfilment to the human individual. Which gives control of thoughts, control of desires, control of appetites, passions, control of actions; and we need to do that, Mr. Deputy President, and it can be done through legislation but everybody has to play his or her part in this character building.

The "T", Mr. Deputy President, is for training. "Train up a child in the way he should go and when he is old he will not depart from it." Discipline of body, discipline of mind, discipline of soul. As the Romans said, "A healthy mind in a healthy body", "*mens sana in corpore sano*," and this comes through love and service to one another.

The whole question of community life and care and a concern for one another needs to be reborn in our country, when we understand that we are our brother's and our sister's keeper, when we can have a society, again, where Senator Rickinson can see an individual who is a nurse, lawyer, doctor, or a pupil, and bring a measure of correction to that individual. We have gone far away from that, and we find parents who will encourage their children to say, "but who is she that she could come and tell my child what he should do or what she should do." So there is that need for continued education in what is right, what is wrong, what builds good society, and what builds good people.

Training, "sparing the rod and spoiling the child". We need to bring a measure of discipline and control so that these young ones may be properly nurtured to become whole and wholesome individuals in our future society. If these are done, then we will arrive at the

"S" for sustainability. We would have gone through a series of programmes, procedures, and processes, where we would have taken time out to mould these children that they may be able to stand on their feet when they become adults. That they may know that they have worth and self esteem; that there is no need to look outside for any other power, but that there is power that lies within because I am, and I know who I am; and because I know I am and I know who I am, I can, and I will achieve, and that is what education is about.

It is not just getting a certificate. Yes, that is necessary, but there is more to it than that. It is to know that at the end of the process, I can stand as a man or as a woman and know that I am a human being with self worth. That I have dignity and purpose, and that all I have been through during these formative years can allow me to stand firmly in a society and against the ills of society.

I believe, Mr. Deputy President, that this legislation is a bold attempt by the Government to ensure that the facts of life are faced, that the youth of our nation are protected, that the youth of our nation can go through this life amidst all of the challenges and amidst the extraneous forces which are brought to bear upon them, and come out at the end untouched.

Anyone who wants to think other than this for the children of this community, needs to be examined.

I feel that this is a matter that all of us, regardless of our political persuasion, regardless of what other views we may have, regardless of what slant we may approach this matter by, I feel that is one occasion when all of us in this Chamber today must vote unanimously on this matter. To show, not to the political party or not to this Senate record, but to show to all of the society that we as honourable men and women stand firmly with a Government that is committed to ridding this country of lawlessness, and to putting this country back on a path of uprightness, to ensure that the children of today are trained as worthwhile citizens to take their place in the world of tomorrow.

Mr. DEPUTY PRESIDENT: I will like to draw Members' attention to Order 31, Time and Manner of Speaking. Order 31 (1) states,

"A Senator desiring to speak shall rise in his place and if called upon shall address the Chair."

I do not see the light. I see persons when they stand.
5.15 p.m.

SENATOR THE HON. G. S. H. MURRAY: Mr. Deputy President, Sir, first of all I chose this time to speak because it comes in the aftermath of a very salutary and refreshing presentation by Senator Workman which brought

harsh reality cloaked in some very wholesome language and wholesome thought to this debate. Prior to that, Sir, I was extremely shocked by the horror stories that I heard recounted by Senator Forde who said that they were only a minor part of the total picture.

Listening to Senator Forde I could not believe that this is the Barbados that I have known and grown up in and have become accustomed to. It reminded me very much of the kind of stories, if one was familiar with the movie "Blackboard Jungle", or the stories one read about or saw on T.V., or in the movies on schools in the United States where schools were out of control, where school children became laws unto themselves and the legitimacy of society was totally absent from their existence and operation.

Sir, the primary role of Government, contrary to what many people might think, is not so much to feed or clothe or house, but really to preserve first and foremost internal law and order and then next security from invasion by external enemies. After that, the other things fall into place. So this Act by Government has to be seen as part of its primary responsibility of reimposing authority and legitimacy and the rule of law and order in our society.

Before I move on, Sir, I think I have to spend a few minutes dealing with some of the matters raised by Senator Mascoll. Senator Mascoll whose presentation really could be described as an attempted analysis of the White Paper on Education rather than a substantial discussion of the amendment before us, spent a great deal of time quoting and trying to compare and trying to mesh what was written in the White Paper on Education with this legislation. But, Sir, I think it is important to point out that the White Paper is merely a White Paper, a discussion document, and does not as yet form policy for Government. Therefore, what he sees expressed in the White Paper are views and policy positions which are out for discussion, some of which will be rejected, some of which will be maintained and some of which will be modified. Apart from that, Sir, it is obvious that if one carefully follows the newspapers and the news stories in general in Barbados, one would conclude that ever since the survey that was mentioned so readily and so frequently by Senator Mascoll in his presentation, that survey was done in early 1995, the White Paper was released in July 1995. The point is that the situation in Barbados has gotten worse since then and therefore one could not resort to any further studies of a situation or examining a situation or seeking to get to the root cause of these outbursts of violence and do nothing. We would be just like imitating the legendary Nero who fiddled while Rome burned and we, Sir, have no intention of fiddling while our Rome in a sense burns.

The point is, Sir, that several of our social institutions in Barbados, particularly in education, can be

considered to be at the crossroads and it is a situation we inherited because we recall the famous statement by a previous Minister of Education who described education as being "in a state of siege." Unfortunately neither he nor his administration sought to do anything to relieve that siege so they continued to allow the society to be hemmed in by violence in and outside of the school. The situation therefore has become progressively worse thereby necessitating the action contained in this legislation. The truth is, Sir, that Barbados is at a stage now, dealing with this legislation, where we have to choose. We can either take the high road or the low road. We may choose the low road and go for cheap popularity, things that would take us along the path of least resistance and do nothing just because you want to remain "popular" or do we accept our responsibility, do we seek to make decisive difference in people's lives and be not afraid to take the tough decisions that are necessary?

Sir, this Government is not of the ilk of the weak-kneed and the weak-minded and one which would choose to take the low road just for political convenience. We have shown our resolve in seeking to bring discipline to other aspects of Barbadian life as perhaps shown in the action taken to deal with public service vehicles, again an act which was criticised by our opponents as disenfranchising and weakening and undermining the poor black man etc. We have not heard the phrase yet today, but I believe all this talk is that buzz phrase, that quoted language of the small black man and small poor man and all of that. Instead of small black man, Sir, they use the term criminalisation, a highly emotive term. This really means nothing except to raise people's hackles in the air because who likes to be a criminal? Who likes to be considered a criminal? Who likes to see their offspring become criminals? But it does not solve the problem. Maybe if we were confronted by the spectre of accusation of criminalisation and did nothing, it would be tantamount to what our predecessors did in office and denied the existence of gangs until they were swarming all over Barbados. They said that because nobody had been beaten to death yet there therefore were no gangs, when the whole society knew otherwise. That is the kind of DLP purblind approach that comes out very often, attached to some of our serious social problems, as against our action.

Like I said, the Barbados Labour Party is not afraid to take on the challenges, to take tough decisions and I too would like to join in commending the Minister of Education for her fortitude and for her courage in seeking to right this obviously major wrong, but not doing it in any highhanded manner, not doing it in isolation to the rest of the society. Rather she brought this legislation only after the widest possible consultation with a number of groups all across Barbados so that there is a measure of consensus, particularly from the bodies who are intimately involved in providing education and therefore we know that those

special interest groups as well as the wider Barbados society who have an almost inherent respect for law and order and respect for discipline, we know too that we have their support.

Sir, in attempting to reimpose discipline in the schools as this legislation is seeking to do, we are really saying that we have to, for those segments in the society, re-establish an orientation towards and an appreciation for a sense of what is right or wrong and we could only do that by starting early.

We, Sir, would be fooling ourselves if we were to wait until the very last minute when people are 19 or 20 or even older to then seek to impose discipline on them when their personalities and their sense of values of right or wrong would have been formed earlier. We might as well then, Sir, learn the lesson from a very poignant plea which was reported in April about a young man who died in St. Philip not so long ago when he is reported to have said, "tell my mother to get another son and to raise him right". We, Sir, have harkened to that plea and we, Sir, are seeking to raise our children right within the schools. Let us not forget what is the role of the school. The schools are there to educate children, to let them have access to information etc. but there is also another aspect to education. A school also helps to teach and to reinforce the societal values, the norms, the sense of what is right and what is wrong. It teaches them social skills, how to get along with others. It teaches them far more than seeking to acquire certificates as Senator Workman said. Therefore we are merely going back to our bedrock of values which other Senators have referred to, those values which have served us well in the past.

5.25 p.m

Those values have done a lot for the society despite Barbados' limitation in natural resources. But those very same values have helped to produce the riches of human resources that have always made us a proud place to be. We do not intend to abandon that legacy and we do not intend to discard that heritage because it has to be remembered that a society, just like any other organism, when it sees itself in danger, defends itself. A society therefore has a similar mechanism and this is what we are seeking to do and it will take the form of this legislation. It will also take the form of Government's decision to reimpose hanging. We will also get back to hanging where the law says one is deserving of hanging and where all access to appeals has been exhausted. We are not interested in lowering any ages to make people less accessible to paying their debt to society when society so dictates. We are defending those values and that sense of right and wrong that has made Barbados so highly ranked and highly respected as a society. If we were to do otherwise, Sir, we will be spending a lot of time intellectualizing

and debating about what are the causes when we know the causes are a lack of respect, a lack of understanding and appreciation for authority of what is right and wrong, the sense of values and so on. The only way we can do that is to get tough. One good thing about the Army, and I know people have some fears of the Army because they fight wars, is that they fight wars largely to defend us against the external invasion that I spoke about earlier. In the Army when you are given an order, you have a code of conduct and you do not debate it with your Sergeant or Captain because you have to carry it out and that is what we need at school. Where discipline is concerned, people have to obey not sit down and debate with a teacher as though you are debating a subject of geography, history or math and intellectualizing about it. That is not a philosophical approach, Sir. It is a manifestation of a system of values and norms that have stood us well and that we should not just ignore as some new fad which will go the way as all other fads sooner or later.

Sir, this legislation while it is tough also has serious progressive steps and serious humane provisions which allow for counselling, suspension and what not. Suspension does not just come automatically. The legislation states that for the child's first offence he or she can be suspended for 15 days at which time that child is also accessible to counselling and remedial work and rehabilitation work. So you are not just suspending and leaving them to their old evil ways. You are trying therefore to use that leeway to get them back on track and to expose them to what society requires of them in a structured and formative way, which while outside of the school system, is also related to the school system.

The time for action is now, Sir, and we cannot shirk our responsibility by looking for all the impertinent data that we have to search out and all the other studies. Studies in Barbados on the subject are in abundance and, if one knows what the society is about, all one has to do is look around you and you know what is right and what is wrong. You do not need any study to find out why a child is bringing a gun to school. A gun is not a marble. In my day if you brought marbles in the schoolroom you would be disciplined. You leave that marble in your bag or for play on the playground. People try to find all kinds of pseudo-intellectual arguments and all kinds of neo-liberal thinkings to try to excuse a gun. Any child who is in high school has to know that a gun is illegal and taking a gun to school is wrong. It is a criminal offence for adults. So how come they do not know that it is a criminal offence for children? The same thing applies to alcohol. No child should bring alcohol to school. I know at school fellows would go and drink after school particularly if you are in Sixth Form, especially Upper Sixth. That was part of the macho thing and the growing up process. But nobody that I know in my time brought alcohol on the school premises. I think that

we have to return to that stage. Alcohol at home is one thing. Your mother can give you a smell or a couple of drops and get a nip. But no child should be encouraged for any reason at all to think that it is all right in any form, shape or fashion to bring alcohol, drugs, weapons whether it is a Collins or a knife, to school. It is just not right and we have to get that into their heads through this legislation while respecting their human worth and human rights and their right to development and what not. We also have to show that the society is intent on bringing its children back on track and we have to do it. We cannot, as was said, rely on the old network system of the neighborhoods and communities to do it for us. That no longer exists. That old tradition has died and passed away. If a family is intent on maintaining discipline among its children but the rest of the society is not, who is to fill the vacuum? It has to be the Government. That is Government's role and Government is therefore intervening through this legislation to re-establish authority, like I said and to re-establish using the legitimate means at its disposal through legislation and through support systems provided by the State to give meat and substance to this legislation.

Sir, all this really boils down to is the question of leadership. How do you define leadership? How do you see yourself as leaders? Do you as leaders see yourself as merely listening to what people, who may be misguided, may say because it will make you popular with them but in the long run will lead to the ultimate destruction of the society? Do you use all the knowledge and all the means at your disposal and your better judgment in some cases, particularly when you are in a consultative process with the wider society, to strike out on a different path and say – no, that path while it might be easy and cheap and expedient, will in the long run do Barbados harm? Instead, we will turn to the right and march along a clear path towards a disciplined society where from its youngest child to its oldest adult will know what the society stands for and have respect for law and order and be prepared to comply with those norms and values, laws and regulations and what not. It is against that background and within that context, Sir, I have no hesitation in giving my fullest support to this legislation. I thank you.

Mr. DEPUTY PRESIDENT: Senator Davis.

SENATOR Mrs. V. J. DAVIS: Mr. Deputy President, I would like to make my contribution to this Education (Amendment) Bill and I just want some clarification because I have in front of me 2 documents and I am wondering if one should be ignored. I have 2 documents here – the Education (Amendment) Regulations, Education Act, Cap. 41 and I also have something here called Objects and Reasons that this Bill will amend the Education Act in order to make better provision for the discipline of pupils and related matters. It says here that this may be cited as the Education (Amendment)

Act, 1996 and the Education Act is amended by inserting therein immediately after Section 64 thereof the following new sections. It goes on to say "64(a) search of pupils". It goes on to say that "the teacher carries out a search under the authority of this section and may exercise the same powers and has the same privileges and immunities as are conferred on a constable by law". It goes on at page 5 to say "is guilty of an offence and liable on summary conviction if he is under the age of 16 years to a fine of \$1000".

I just want to know if this is what we are debating. I would like some clarification. Is this it? Am I right? Well, I thought that the President would help me.

Mr. DEPUTY PRESIDENT: I am never in the debate.

SENATOR Mrs. V. J. DAVIS: Can anyone help me with this?

Mr. DEPUTY PRESIDENT: The person who introduced the Bill can respond to you.

SENATOR Mrs. V. J. DAVIS: Okay, because I would like to know.

SENATOR Miss C. Y. FORDE: Mr. Deputy President, on a point of clarification. This is the document we are using. The other one that Senator Davis is referring to has to do with the regulations.

Mr. DEPUTY PRESIDENT: I see.

SENATOR Mrs. V. J. DAVIS: So that when we do pass this Bill all these things will apply that are in this paper.
5.35 p.m.

I was waiting to hear Senator Forde talk about the fines and the convictions. As I sat here listening to this debate, I know it is so easy for us, and you hear people with a lot of platitudinous ponderosities about the problems of society. There are a lot of platitudes we can use, but I know that the problems of society are very complex. What I am genuinely concerned about is the fact that this exists, and I did not hear much about this while the debate was going on and I wondered maybe if I were missing out on something. I must say that any adult, and especially any older adult, in this society, one who has taught for many years, must obviously regret the necessity for an amendment like this to the Education Act. One must regret the circumstances that would have us come to debate something like this. I thought about it and I said this Bill for me marks the end of an era and the beginning of a new era, because as far as I am concerned, and I suppose it could be just sentimentality or old age, one of the two, but

I certainly felt that there was such a grave paradigm shift in the way I had always perceived the business of being a teacher, the whole question of education and my role as a teacher and my relationship with students. I used to be governed by the notion that the teacher was, as we said, *in loco parentis*, that the teacher stood in relationship to students as a parent stood in relationship to those students. Therefore, I have always conceived of the business of teaching, of the profession, because I like to think that teaching and teachers are people who are sent from God, that you are a teacher sent from God, that you are concerned with salvation, that you are just as much concerned with transformation.

It is a very popular thing – and I am afraid to say I have never really liked popular movements – to talk about law and order. It is also a very popular thing to have solutions for the problems of society. The thing that really disturbs me is that 20 years ago as I stood in a certain school and smelled marijuana smoke emanating from around there, I thought this country 20 years hence would have already blown up. This is why I feel I have absolute faith in the fact that the young people in our schools are certainly not as bad and are not in as much crisis as we think, because I really thought there would have been an explosion before. I like to think, because I have dealt with these young people, that 99.9% of parents and children are law abiding people, people who have ambition, people who strive, people who want to make it in this very competitive, materialistic society.

When I realised that there was this shift from the teacher as a parent substitute to the teacher now as constable, the teacher in me reflected on the whole notion of summary conviction and all that, for me it was a grievous occasion. I saw that there was an intangible element which was introduced into this relationship which would have profound implications for this society, and I say this out of a sense of sadness. I do not want to be a Cassandra who predicts chaos and confusion, but I have seen in classrooms what happens when one introduces the element of fear, and so for me this whole Bill seems to be a triumph of fear over faith, of law over love, of pragmatism over patience.

Aside.

SENATOR Mrs. V. J. DAVIS: There is nothing platitudinous about not succumbing to fear and panic. As the Good Book says, "God has not given us a sense of fear but of power and of love and of a sound mind". I am saying today what bothers me about this is that because we have changed the relationship between the teacher and the student, we have introduced an element of fear. We have what we always suspected. We knew there was that intangible link between the school and the justice system. We knew that if you did not make it here and

were not disciplined here you would end up there, but now it is no longer intangible, it is no longer illusive, it is no longer ephemeral, it is real. The school system is now an adjunct of the criminal justice system of Barbados.

It is all right to say – and I have no political axe to grind – that people use terms criminalising, but it is not a question of whether it is a term, because when you see "constable" and "summary conviction" and so on, that is part of the criminal justice system. So my concern now is not so much with whether or not we are going to use these laws to govern the behaviour of our students, my concern is with the nature of the relationship which we are now going to set up between student and teacher. I sometimes have to smile when I hear people talk about the solutions to the problems, because I sometimes wonder whether they actually know the case history of some of our children sitting out there. When I hear these lovely solutions, I wonder if they know the child or those children I knew, children who were victims of incest, children who were abused, children who are traumatised. When I sit here I hear people say these are the solutions to the problem. I hear there is going to be rehabilitation and counselling, but my point is, we have to go back to the root cause of the problem, and I do not think we are going to solve anything by waiting until our students reach secondary school and then say we are going to bring these laws if they have guns or if they have drugs.

5.45 p.m.

As a matter of fact, I am absolutely sure that human behaviour has not changed that much. It is our attitude to the behaviour. Many of us would know there are a lot of respectable men around this country who were smoking at age 12, drinking around the schools at the back and who were also equipped with weapons. In those days, they had stones and all sorts of things, so that behaviour has not changed. What has changed is the technology or maybe our own attitude to the whole problem.

Let us not pretend that we are not talking about children who are the product of a certain kind of violence. Whenever I have talked to those children, whenever I have intervened in whatever way, and I thank God there were so many of them.... I haven't been out of the teaching service that long and even if it were that long I am fully aware of what is going on. It is no different from where I was 20 years ago.

Mr. DEPUTY PRESIDENT: Will the Honourable Member address the Chair.

SENATOR Mrs. V. J. DAVIS: Mr. President, when I think about what some of those children have to live through from very young and I was talking only recently about 7 and 9 year olds and if you knew what those children are going through, as my father used to say, and

he grew up in this teaching business, and I believe that today he would say, there but for the grace of God, go I. I think that this is something I have always said when I look at these young people – there but for the grace of God, go I. I don't know what kind of person I would have been if I had grown up in the way some of our young people are growing. I am not talking about something that happened 4 or 5 years ago. I am talking about something I know about, talked about two days ago, about 7 and 9 year old children whose mother is on drugs and who are running around hungry.

That kind of problem suggests to me that it is no point waiting until they are 13, 14 or 16. If we are going to run an educational system we have to start to monitor our children from the time they come into school, check who are the parents, the single mother usually, the guardians, and begin to intervene from down there to bring those parents into counselling, into training. As a matter of fact, social scientists are now saying – and I think it has to happen – that we begin to bring the parents of the children and work together with them.

It isn't to be something that happens out there because all of us who have been in this teaching service know fully well that children and the parents of the children we need to see we never see, because the conditions are such that they cannot come there and are not in any position to come and face what is this wonderful establishment that judges them. They don't come because they know that wonderful establishment called the school and those beautiful teachers out there have started to judge them before they have seen them. The people who the system would probably have to train as teachers, the majority of them, are people whose children are not going to be found behaving in the same way in which difficult children behave. You talk about violence. Children are only violent because that is all they have known from the time they were born. If we don't begin to train our very young and get their mothers because it is usually the mother – I don't know where we have lived all this time that we are talking as though there is a mother and father somewhere. In most of these cases there is a woman struggling to bring up that child. So that is the person we have to target from very young, to bring into the school some compassion.

By the time you wait until that child gets to secondary school as my fellow Senator said, and I know he is serious, that the children of 16 years we have to hang. I know that we are going to. I think this is the position that we are going to have to take if we are going to take this Bill seriously. We are going to have to be firm with them, and we are going to have eventually to take those 16 year olds and hang them. I don't think by the time they reach that stage there is much that we are going to be able to do for them.

I wonder sometimes if we don't pretend that we live in a democratic society when indeed we are heading more and more towards the kind of fascism, towards the kind of State that says there are certain people who are nuisances and we have to get rid of, the quicker, the better. I am concerned about that because I hear these sort of repeated calls about what we are to do. That is not the solution to the problem.

Mr. Deputy President, I speak always for myself and from my own conscience and from my philosophy about life and I have always felt that it really is not very important whether people disagree or not because I have to live with my own conscience and I have to live with my own belief about what things are true and honest and of good report. When someone tells me that we have to hang them, I begin to wonder if they understand the problem out there, what they are talking about. When I think about Senator Symmonds whom I know has intervened many times and helped people who were on the down-hill slide... To talk now about a Bill of which I know that when it says that "the principal shall" it means the principal had better have all this thing written and sent into the Ministry because I don't think you have all that leeway in law or much choice about that. This is what is frightening.

You have put in train a system that is going to wreak havoc on the very people that I think - we hear about caring Governments and about caring people - whom we are trying to help. I will repeat my suggestion that if you are going to be running... Let me make it quite clear, you can never deal with this kind of social problem in one way, you have to deal with a lot of other things. As I started out saying, it is a complex issue. So when people get up and talk as though they have the solution right here I know it is a joke. It is a complex system. It is a complex thing. We start in train a system which is almost inexorably leading to that victim whom we call the deviant child right on to the prison system..

Whether people like to hear it or not that is what we mean by the word criminalising. There is a link direct between that one child and the criminal justice system. I do not believe that we must act out of panic. I do not believe that we have such a terrible problem on our hands because of a child who brings in the gun. How many guns have been brought in? The children who bring in the drugs. One is too much but that problem is not going to be solved by just saying...
5.55 p.m.

Asides.

SENATOR Mrs. V. J. DAVIS: I will continue. When we look at the problem, if we are talking about a crisis in education, I am frankly more distressed by the fact that we now have almost 2 or 3 young women to 1 young man entering university. I am absolutely more distressed by the

fact that we have so many young men who have dropped out of the system. That is such a waste of human resources.

I will not so much panic about this as I will panic about the fact that our society and societies in the Caribbean are heading for a terrible sort of social problem. We already have young women who have no husbands, no fixed sort of relationships in which they bring these children into the world. We have our young men who are dropping out without certification at secondary school level. We have very few going on to university. The truth is, only recently, a very worthy member of our society said, "In fact, we only have 6% of our young people going on to university when we really need to have more, about 30%."

We must begin to have imaginative ways of getting our young people who are sitting out there get credits for things like music and so, and begin to change the sort of entrance exams and the qualification to move them to begin to get some sort of tertiary education. We have a lot of other things we have to do in terms of the human resources of our young people in this country. If I had anything to do with education now, I would consider those things crisis situations.

We can always, and as we have always done - we have had principals. I have taken children's school bags. I have done all that sort of thing. We have done this. The difference about when we have done these things - and this is the thing that really frightens me. I saw one of our very worthy educators, a gentleman I respect very much, Matthew Farley, he hinted as a fact, and I agreed with him, that we are setting up our teachers for really being at the butt of violence because we have put into this relationship of teacher/student, the element of fear.

I do not know when this woman or man opens my bag where it will lead me to because even when one is confronted with a child with a gun, and if you have a kind of relationship with that young person, if you can deal with it, maybe you could have changed more than a life. You could have changed the whole family if you knew how to deal with that situation. You did not have to send him onto the criminal justice system.

The questions we must ask ourselves are, Who is supplying the guns? Who is supplying the drugs? Why is it we cannot get those people? Why are we taking out our fear and our anxieties on those young people?

I know those young people out there. I have talked to some of them. They are in schools right now and they are so absolutely cynical about this whole thing about drugs, guns, money, and the way people are supposed to live in this society. I am just saying this to say that this law is going to come into being and I am very interested

to note that we did not talk too much about the fines and prisons. We sort of glossed those things over.

While this might become law in Barbados, I fear that not only is this recognition a failure but it is going to sow the seeds of something new, much more confined than that we have now experienced. There is nothing, Mr. Deputy President, that is platitudinous about that because I know that going into a situation of trust is compared with an element of fear, and how people are going to respond when they are afraid.

I must express these concerns. I noted in the newspapers, incidentally, the editorials that I read, that as far as they are concerned this Senate should have already been abolished because they are not even concerned whether or not it gets to the Senate. They said they have already decided whose sides they are taking. Do you know what I find interesting about the editorials? Everyone is saying action is taken. Are we going to take action for action sake or are we going to be careful about the consequences of our actions?

Mr. Deputy President, while I know that this Bill is going to be passed, while I have certain fears and concerns about it, as a person who has been in the teaching service and a person who understands some of the problems we have out there, I must say this before I end. I appreciate very much the fact that the Ministry of Education and the Minister have brought together different groups, and that they have been trying very hard with the whole issue.

I have not said what I have said to criticize the Ministry of Education and their efforts. I know they are trying. I have said that as a person who feels that there are all kinds of inputs we can make into a debate, that there are different ways we can see situations, and that if I am for democracy, I am entitled to an opinion or another way of looking at a situation.

Mr. Deputy President, thanks for allowing me the privilege of speaking.

SENATOR T. E. BARKER: Mr. Deputy President, first of all let me declare an interest. I have an interest in this matter. I have 2 children at school. I know about it. I have a deep interest in this legislation. I would hate to know, Sir, that my daughter carried to school an ice pick. I would also hate to know that she is at school doing her work and some other child stabs her with an ice pick. She can be both the victim or the perpetrator, and in either situation I would be devastated. Sir, having set the record straight about my interest, I want to say that I wholeheartedly support this measure.

Sir, I stick by the biblical wisdom. Foolishness is bound up in the heart of a child, but the rod of correction

lends it far away from him. I also believe, Sir, that the heart of man is desperately wicked. That is why we need to have laws.

Sir, in the biblical days, and to me it made sense – it was a bit harsh but it made sense. If the parents of a child could not control it, they carried the child to the elders and said, "Look I tried with this child and I cannot make any hand of it." Do you know what was done, Sir? That child was stoned to death. It may sound harsh. I know that Amnesty International would frown on it, but there is a principle there. There is a deep principle, and I did not make the law, Sir, the law was made by somebody bigger than you or I. The principle is that you cannot allow that fellow to dirty society because he will now cause others around him to behave in like manner so the punishment for him was death. It may sound harsh, Sir, but there is a reason for everything.

Sir, I do not fear the police. I never yet feared the police, because I have tried my utmost best to be on the straight and narrow so I can pass the police and hold my head up high. There are laws against stealing, there are laws against murder, there are laws against many things, but I do not have to read the law because I know I am not supposed to do those things. Hence, I can pass a police and look into his face and smile because the law is not made for me. The law is made for the lawless.

Sir, we have to admit that there are people in our society who need strong discipline. We need that. Sir, we make no apologies for bringing laws which are designed to curb behaviour at its source. We hear all this about social conditions. The social conditions now are no worst than any other time. In the 1930s and so the social conditions were horrible. There was no hope in the society. There was hopelessness. There was despair in the society, but people still had respect for law and order.

6.05 p.m.

Today now our young children are in a far better position, economically and socially. But what do we see? We see people making excuses for bad behaviour, things like he was not brought up properly, as though the child does not know that he is not supposed to carry to school an icepick or gun. He knows that. What is the sense, Sir, of having a law without a penalty for breaking that law? It does not make sense. If you are going to have a law there must be a penalty for breaking the law and the perpetrator must know that if he breaks the law there is going to be a sanction applied to him for breaking that law. So I do not see what all the fuss is about and I do not see why Caribbean Rights should seek to interfere in that sort of way with what is going on in Barbados. I do not see this as criminalising school children because when a fellow carries a gun to school he is already displaying criminal tendencies.

Sir, I want to bring out an incident and this is a real life incident. Sir, I have a cousin who is a teacher and one night he could not pass a certain road. Do you know why? He disciplined some boys during the day and as he was coming home in the evening, near to night time, there the fellow was with some big rocks at the side of the road and he could not pass. All he had done was discipline the child. Luckily for him my father happened to pass and was able to help him through his difficulty. Sir, what happened is that those boys became some notorious criminals in this island of Barbados. If at 14 and 15 when they were doing that, action was taken immediately, I do not know what would have happened but chances are that they could have been saved from a life of crime but at that age, a teacher disciplined them and he was afraid to pass the road because of fellows with big rocks being there ready to damage him if he passed that road. I am talking, Sir, about something that happened about 15 to 20 years ago. So the problem has not just started.

All this Act is doing is giving teachers authority to do what they could not do before. Before, if a fellow had something in his pocket and he said he was not emptying his pockets they could do nothing about it. They could not really search. The law is now giving teachers the right to take that fellow or that girl and institute a search under specific guidelines to determine whether or not the child is guilty of an offence.

Sir, a lot of what we are hearing today shows that people have not read the Bill. The Bill is clear and Senators should read the Bill before they make comment on them because, Sir, if you read the Bill and the Regulation attached to the Bill, when a pupil of a school has been found with liquor or a gun and so on, on the first occasion the principal may. The word is "may", Sir, and you are a lawyer and you will understand.

Mr. DEPUTY PRESIDENT: The Honourable Senator must understand the rules prescribe certain actions to the President. When I sit here I follow the rules. The only thing I am supposed to do is to make sure that there is order in the Senate. I know nothing when I am here. Proceed.

SENATOR T. E. BARKER: I apologise, Sir, but those people who are lawyers know that the word "may" in legal terms gives some leeway. Sir, I am saying that when pupils are found with these things for the first time the principal may suspend the pupil for a period not exceeding 15 school days. So for a first offence the principal may, depending on how he views the case, suspend the pupil for a period not exceeding 15 days. On the second occasion he may suspend for a period not exceeding 30 days or he may recommend the expulsion of the pupil, and on the third occasion recommend to the committee the expulsion of the

pupil from school. In short, Sir, when the pupil is found with illegal substance or with a gun or whatever, the principal may suspend the pupil for 15 days. I do not understand the criminalising.

Now, Sir, it is important that the police be informed. There is a reason for that. Sir, the police should know that a particular pupil carried to school a gun. That is a very serious thing because obviously, Sir, the 15 year old may not have made the gun. He may have got the gun from some other source and probably from an adult so if the police knows that a particular youngster is hanging out with a certain crowd and he turns up at school with a gun then it might alert the police as to the likely source of that firearm. So it is important that the police knows. The fact that the police knows, does not make the pupil a criminal because the pupil is dealt with under the Regulations. If people do not read the Act they would obviously come to the wrong conclusion but the Regulations say that when the fellow is found with a gun the principal may suspend him for up to 15 days and at the same time a report goes to the parent, the police, the Chief Education Officer and the School Board or Committee because all of them have a right to know that this particular pupil has broken the law to that extent. So nowhere, implied or otherwise would it be criminalising anyone.

Having cocaine is a criminal offence so nobody is criminalising the child, the child has criminalised himself by having this substance. He has committed the criminal act because the law says it is a criminal offence to have an unlicensed firearm or to have cocaine or whatever so the fact that the police is notified does not criminalise the student, because the punishment is dealt with in the regulation which calls for suspension on the first offence. 6.15 p.m.

Sir, the Honourable Members did not read it carefully. It says that the student who assaults or uses abusive language is guilty of an offence and liable on summary conviction if he is under 16 years to a fine of \$1000 or people up to 16 years of age or older to such a fine or imprisonment for 6 months or more. But the point is, Sir, that if we look in Barbados recently since the last Government changed and regards the law on capital offence, a lot of children of 18 years that over 25 of them committed the capital offence of murder. They are at the age where some are at school. So we have to say now that some of them who commit murder are school children. Do not forget that they are school children.

Sir, the parent is involved because the parent has to be informed and very often parents claim ignorance about what the children are getting into. They claim that they did not know that the person was carrying to school scissors or whatever. They have no excuse now because when he or she is found with the offensive weapon the

parent is immediately notified and not only that when the child is suspended what happens? He is not just put out in the streets as happened in years gone by. There is a programme for the child. In other words, when a 14 year old is suspended he does not go home and lime at the street corner. Under the new system, he is put in a programme where he or she will have the benefit of psychologists and psychiatrists and whatever is required to try to get this youngster to mend his ways. The first step must be rehabilitation. That must always be the first step to stop the fellow from going in deeper to a life of crime. So rehabilitation must be the first step.

This Government is pursuing a programme for the suspended children to try to get them to (1) see the error of their ways and, secondly, to try to mend their ways. That, Sir, is a caring Government who is not prepared just to lay down the law but seeks to rehabilitate so that that youngster can then re-enter school hopefully a changed person. That is a humane action. Because if the child can be rehabilitated and go back to his lessons, then who knows what the future would have for him? So the emphasis has to be on rehabilitation. Punishment is very important because the child must know that if he contravenes the law that there are penalties to be applied, but at the same time we must stop the fellow from going forward into crime and also to prevent his buddies from following him in a life of crime.

Sir, I do not want to be unfair. I generally try not to be. But, Sir, I vividly remember that I was in the book-shop at Cave Hill Campus one day and the person is not a BLP person but he made a remark to me that whenever the DLP is in office that crime escalates. Now I do not know if that is an unfair statement but his views were that they were soft on crime. That should be the subject of some sort of investigation. But the point is, Sir, that a lot of what I am hearing from the Opposition reminds me of that statement of their attitude towards crime. Yes, it is okay to talk about criminalizing school children and not hanging, but what are the solutions to the problems of crime? I am saying that the solution must be multi-faceted. You must have the punishment element. You must have the rehabilitation element. The fellow must know that there are penalties for breaking the law but he must also know that the conditions which caused him to be in that situation in the first place should also be addressed. I remember Victor Hugo, the Philosopher, who said: "The soul of a doctor shall surely sin. Therefore, the guilty one is not he that sinned but he that caused the darkness." That may be an extreme position. The truth is found neither in a thesis nor the antithesis but in moral synthesis that reconciles the two. But the point I want to make is that, while we recognize there must be the punishment element of it, we have to be concerned about the social conditions that surround the whole thing. This Government is mindful of this and that

is why since we came into office over 2 years ago we have had so many programmes for our young people. We are trying our best to tell our young people, especially our young boys, that there is hope for them in this society. We are working assiduously to reduce the high level of unemployment that the Dems have left us with. When they left us, there were 32 000 unemployed and now we are down to 22 000, and that is the official figure. That is not my figure. That is the official figure and we are eagerly awaiting the second quarter result. The point is that we are trying to tackle the social conditions that contribute the level of hopelessness and despair that our young people found themselves in after 8 years of the Dems misrule. Sir, we are tackling it in a multi-faceted fashion but the punishment aspect of it must be very important. We cannot forget that because there are people out there who will not steal because there are penalties for stealing. There are some, Sir, who if there were no penalties for stealing would steal the very eye-glasses off of your face. So we have to make sure that the fellow knows that you must not do a certain thing and at the same time he knows that there is going to be a penalty applied to him if he performs a particular act.

Sir, I am very conscious of the social conditions in which our people live. But I do not want us ever to give anybody the impression that social conditions should be an excuse for crime. It must never be seen as an excuse for crime. Our grandfathers were poor but they tried to live a dignified life. Poverty is never an excuse for criminal behaviour and we must stop giving people the impression that because of their social or economic conditions that they have a licence to do what they want to do. That is one way to ruin our society. We must let them know that whether rich or poor there are ways of doing things. We are continuing to change society in not behaving in a criminal or unsocial manner but by using the power that we have to effect the change that we want in society. Coping out will never change anything. It is just an excuse and we as politicians are giving people an excuse. So we are contributing to their social behaviour by giving them an excuse. We are telling them that they are poor so therefore you can carry to school a gun. We are telling them that you do not have a father, your father neglected you, so it is all right to carry to school an ice pick or a collins or whatever. I am saying, Sir, that this is the wrong message that we are conveying to our young people.

6.25 p.m.

That is why, Sir, I am very disappointed by some of the speeches I have heard and what I have read in the newspaper. What happens is that we have sown with the wind and reaped with the whirlwind. In other words, we have sown a little and reaped a lot. That is what has happened to our society. We were always afraid to tackle crime and anti-social behaviour when it first appears.

Aside.

SENATOR T. E. BARKER: Yes. No gangs. When we began to get gang activity the politicians said gangs were a North American thing, we had no gangs here. But people were terrorised while we were denying the existence of gangs. Now we are hearing the problems in the schools are 0.1%, which means there is a 99.9% who are not giving trouble. 0.1% of 40 000 school children is 40, so that means we have about 40 school children who are giving trouble. Therefore we have to deal with them. That is all I am saying. You have to deal with the 40, because the 40 can cause problems.

Sir, I want people in this Chamber to know that we have had incidents in this country of Barbados where children went to school peacefully and ended up dead in our schools. It happened in Barbados. We cannot hide our heads in the sand. It is only God's mercy that it has not happened since then, because we had stabbings since then. We have to stop this thing at the very source.

Sir, I see this as another attempt by this Government to come to grips with the social problems facing our country. We are not going to run from any issue, we are going to confront it. It is not a case of fear over faith, we have faith in our young people. That is why we are having programmes for them. That is why the very people who are suspended we have a programme for, because we have faith in our children that they can be turned around. It is not a case of law over love, because if we did not love them we would not have put the programme in place for them, so these platitudinous statements do not stand the test of investigation. We are exercising faith in our young people, we are showing a love for them by telling them not to commit any crime, and if they get into trouble we are there to help them get over their difficulties. I do not accept that this is fear over faith or law over love. On the contrary, when a father disciplines a child, he disciplines the child because he loves the child, not because he hates the child. The father who hates the child does not discipline the child, and the person who hates our school children will tell them social conditions made them do wrong, therefore we are going to pat them on their backs and say be a good boy. The person who loves our children will tell them they have no right bringing guns to school. Therefore, if they bring guns to school they must suffer the consequences of their actions. We must teach our children from early that there are consequences for every action. If you persist in this behaviour, we are going to apply the sanction of the law against you.

Sir, I want to remind this Chamber that this Bill is a result of the pleadings of the school teachers. They live in fear because they see all around them, especially the boys, doing things and they have no control over them. This will remove fear, not by the children but by the teachers, the

fear the teachers have for their children. The Principals support this, the Unions support this, there are only a few people who are not far-sighted enough to see the wisdom in this action that are criticising it. I stand with those who believe in the law of love, but I also believe in the law. We must have law, we must have punishment. If you do not have that, you have no love.

Therefore, Sir, I commend this Bill to this Honourable Chamber. We are not criminalising our children, we are trying to save our children from their own actions, so I encourage all Senators to support this legislation and give it their blessing. By unanimously supporting this Bill you will be sending a message to our children. Yes, we love you. You are the apple of our eyes, but at the same time if you do foolishness we are coming out for you.

With those very few words, I want to support this Bill.

SENATOR Mrs. P. E. RICKINSON: Mr. Deputy President, I must speak because I find that I truly believe that the implications of this legislation are both enormous and frightening to me as a person. I am not speaking on behalf of the unions because the unions have already informed me that they fully support the legislation. Senator Forde, who introduced the Bill, has said that they have had meetings with the stakeholders and they fully support the legislation.

Mr. Deputy President, maybe further down the road we might need this legislation, but at the moment as someone who held the post of Health Education Officer in the Ministry of Health for 13 years, and who had to use the powerful tool of education to change behaviour, I must bring a different approach to this debate. As I said, as Health Education Officer I had to use the powerful tool of education in order to change both adult behaviour and children's behaviour. I feel that before we reach this legislation, there are other measures that one could attempt to try to solve the problems. I know we are hearing there are guns and drugs in the schools, icepicks in the schools, but I have served on two Boards – Alexandra School Board and the Coleridge & Parry Board – and whenever the matter of a child behaving in a deviant way was brought to the Board for suspension, I would say "I think this child is either ill or is on drugs." "Oh, no, no, no, there are no drugs in the school!" In other words, everyone was in denial that there were no drugs in the school. Since 1972 there were drugs in the schools, but we always hear there are no drugs in the schools.
6.35 p.m.

I feel that we need a combination of many measures in order to deal with this problem which was in evidence since 1972 when I used to go into the schools as health education officer and when my nieces would

come home and tell me that there was smoking of marijuana under the cellar. That is many years. Like Senator Davis, I, myself, thought that the society was going to go to pot. I thought that there were persons up in the area in Barbados known as the Pine that would all end up in jail, but, Mr. Deputy President, they have ended up with the Pine Workshop. They are doing all sorts of artistic things. They have a library. They have done quite a lot to redeem themselves. I am talking about 1972 when everybody was talking about how bad those children were, how they walked with knives and you couldn't walk in that area, etc. Now they have the best dance group in Barbados and they travel out of the country. That is what the community has been able to do.

I believe that we should take that approach because what has me so hurt and concerned is that at the age of 4 or 4½ we take our children and deliver them to the school into the hands of the teachers. They are there about 5 hours a day. Those teachers are supposed to be instilling values into the children. I know the parents must take responsibility but if you really analyse the situation the school has the child for communicating values to them for the most hours of the day.

When a child leaves school to go home then to have something to eat, to have a bath, to play, to say grace, then they go to sleep and then you wake them up and get them ready and take them to school again. Apart from the weekend, there is not this expanse of time and hours that the parent has to be consistently with the child.

Therefore, I feel that we need to look at our educational system from the time they are 4½, and I am not talking about the secondary schools because I feel from what I heard today that everything seems to be out of control in the secondary schools but at least we could start with the primary schools and see if we cannot mould our children and teach them some of the values that are needed.

In addition to that, Mr. Deputy President, I have been calling loudly and clearly for the inclusion of nurses into the schools. One needs nurses trained in psychiatry and public health to pick up the deviant behaviour problems. As soon as the children start deviating from normal behaviour these nurses will be able to pick it up, not only to examine the children, not only to teach them family life education, not only to give them immunisation but also to pick up the deviant behaviour and if they are trained in psychiatry they will have the tools in order to start the counselling there and then and catch it in the nick of time.

Mr. Deputy President, those nurses in the school, I feel should be working with the nurses attached with the polyclinics who are standing up in there weighing babies after we have educated them for 5 years. They should be

out in the community working with the parents. As soon as a lady gets pregnant and starts to register at the clinic the nurses should be working, going into the homes and working with the mothers and help develop parenting skills.

People who need babies would do anything for their babies before they are born because they want them, be they 13, 14 or 16 years old when they are pregnant. There is that maternal instinct for you to do whatever is best for your baby and that is time to get in parenting skills. There are nurses there. But we are not utilising the resources we have to the best of our ability. If one has nurses with psychiatric training in the schools, picking up behavioural problems, because 3 psychologists in the Ministry of Education cannot really do anything. What can they do for these hundreds of children. One needs people on the spot and then if they start to counsel these children and they are not getting the results then they refer the children to the three psychologists in the Ministry of Education. Then the psychologists work diligently with those nurses about what to look for and what to do in order to get our children back on track.

Mr. Deputy President, you don't need this type of legislation in order to do what I am saying. That is why I am so concerned. I am concerned about what message we are sending to our children. We need from an early age to get them to develop a trust in teachers and I am going to tell you, Mr. Deputy President, why I am saying that. As I stand before you, I am one person who was searched in Belgium because I was black and had on an African gown. Mr. Deputy President, if one has been stripped and searched, it is the most humiliating, demoralising experience that one could go through in one's life. It is not a nice experience. They told me to take off my clothes, took me into a room. "Come, take off your clothes!" I was so confused that I left my passport, my bag, everything and got on the train and then I had to tell the gentleman on the train that they searched me and I left everything there. He allowed me to pass through so that my husband would meet me at the other end and did not put me off the train. I had no money, no ticket, nothing. That is the sort of effect that searching does to someone.
6.45 p.m.

I am not saying that you should not search children. I am sure that at some of the elitist schools, if you think a child has something in his bag that he should not have, and you ask him to open the bag, Mr. Deputy President, do you think he is not going to open that bag? At some of those private secondary schools they are not going to open their bags. Their parents will have to come and they would not be in the schools very long.

Mr. Deputy President, I feel that what we need to do is to work, not only with the nurses in the schools,

I am not doing this because I am plugging for nursing, so that they can pick up their behavioural problem, but work with the nurses in the polyclinics so that they can teach the mothers some of the parenting skills that they need to know. It is the nurses that teach the parenting skills. Work with the churches, work with the other organisations within the community, and let us get more community involvement.

Mr. Deputy President, to reach that stage, one is going to have some shock treatment to those communities. We have to come out and tell the people in this country that we have young children carrying to school guns and knives, and what the children are doing to the teachers. The public must know what is happening so that they can get involved and help to solve the problems.

I get the impression, after hearing of all these things that have been going on in schools, Mr. Deputy President, that they have been kept quiet, and suddenly legislation. That is one thing that it is so difficult to accept. Mr. Deputy President, to me it is sudden because I have not been hearing about guns in the schools. It is only before I came in here, and certain people who I value highly and their opinion, called me about the Bill. I said, "Look, I have to talk about those children before they reach that stage." I need to find out what we are going to do to the 4 1/2 year old or even those in the Government nursery schools. Try and get some values into them before they reach the age of 16.

Mr. Deputy President, I feel strongly, that children should be allowed to be children. As a child we smoked tobacco leaves at school, Mr. Deputy President. Marijuana was not around. I am sure that if it was around, we probably would have tried it. Mr. Deputy President we used to go outside on the lawn, Mrs. Laurie, our Headmistress would die if she knew what we were doing, and our parents would.

I went to the Alexandra School with only 90 children in the whole school. That is what we were doing behind the hedge. We got the tobacco leaves, have a puff, smoking and spluttering. Children are children. Getting the pornography naked women magazines, one girl would bring it to school and we would giggle and look at it. That is what we did. These are the things that we did as children at schools. Our parents did not know.

Mr. Deputy President, we would leave school, take off all our clothes – naked, and go into the sea and swim. Our parents did not know. If they knew or the teachers knew, do you know what would happen? Stark naked, big girls with bust, would jump off the wharf in Speightstown, Mr. Deputy President. That is what we use to do and nobody troubled us. Our parents did not know, the teachers did not know. We would play truant from school and go swimming all day. Our parents did not know.

Now you are saying that if they play truant for 1 or 2 days, they are going to be referred to some institution. I do not agree with that, Mr. Deputy President. Children are children. They should not have guns. I think that we have to find out where they are getting these guns from. That is where the police comes in.

Mr. Deputy President, I worked in the community and children have said that their parents had given them the packets to carry to school, and to drop to different places. It is not the children who are trafficking the drugs. There are being given by their parents, drop this off here, drop this off there. Then the children are going to be penalised. I think that we have to find a way to get to those parents.

Asides.

SENATOR Mrs. P. E. RICKINSON: I think, Mr. Deputy President, that we need to find a way to seek out those parents. They are the people who need to be counselled, *et cetera, et cetera*.

Mr. Deputy President, a teacher told me, when they were telling me that I must go and support the Bill, in order to try and convince me, a teacher said to me, that a young boy brought to school drugs, and when he tried to talk to this boy, he said, "My grandmother did it, my mother did it, I am going to do it because these stupid little children know that it is bad for them and they still go and smoke it, but he would not smoke it."

Now those are the type of people – he is deviant, that we need to find urgent help for. What I am hearing here, Mr. Deputy President, is that we are going to set up another Dodds or another similar system, which the children and everybody will nickname and name, and as soon as a child goes there and returns to the community, the child is going to be scared for life. I think we need to find ways around it. I am not saying that you do not need an institution for the children that you cannot correct the behavioural problems.

I can see, down the road, that you need to take North Point and have a 24-hour institution to house those children in order to assist them. Having done that, and you release them back to their community, Mr. Deputy President, what do you think is going to happen? There are going to go back into the drug culture. Let us face it. For some of them, they say that it makes them feel good. That is what they say.

I cannot predict what might happen, but what I know that is happening in Youth Programme, Mr. Deputy President, I heard that it is not as was intended for these children. We can read about some of these people in this Youth Programme growing their own marijuana.

Asides.

SENATOR Mrs. P. E. RICKINSON: You can read that some of the people in the Youth Programme growing their own marijuana. I read about that. I do not know if it is true, but I read about that.

What I do know is true, Mr. Deputy President, that the Barbados Defence Force started a system in that Youth Programme, and they stopped using the Barbados Defence Force because they said that they are not soldiers. That they discipline them too much. This is the Youth Programme. I was told by a high ranking member of the Barbados Defence Force, "Imagine this is a programme that they are trying to teach people various skills, they bring us in, and we come to get some discipline into these children, and they dropped the Barbados Defence Force and said that they are not in the army."

Mr. Deputy President, they were to be taught First Aid by the Barbados Defence Force, they ignored the Barbados Defence Force and got the St. John Ambulance or one of those to teach First Aid. When the Barbados Defence Force found out, - "Why did you not come for us to teach them First Aid?" "You are too strict." The whole purpose is being defeated. You have a Youth Programme with the children who you are supposed to be helping, but you do not want them to have any discipline.

The Barbados Defence Force said that they had a little cap as uniform, and they were trying to explain to these young people that whatever it is you have to wear your uniform with pride. Some of them would come with one bit of uniform missing, and when they are sent to go and dress properly, they said that they are not coming back because they are too strict and they are not in the army.

Mr. Deputy President, you see the whole attitude in the society that one has to change. It is not only the children in school, because these are the people who are communicating deviant behaviour of the children and children are so smart they know exactly how far they can go with you and they will take you to the end. You will find, Mr. Deputy President, with some teachers they will behave themselves but with others they will lend them a dance because they know with some teachers that they would not be able to get away with that type of behaviour. Even a little two year old child knows that.
6.55 p.m.

Mr. Deputy President, I feel that we need to start looking at that system of education again. One of the persons who wanted me to support the Bill said to me the reason why they cannot communicate values into the little children is because they start to specialise too early. That in the olden days a teacher would have the children for the whole day and would teach the child all of the subjects and

in that way you could watch the child grow etc. But now the children have to be shifted from one classroom to the other and the teachers hardly get time to get to know the children and know about their changing behaviour. That is one of the arguments that was put forward to me. I said, well we need to do something. I do not see anybody specialising to teach children at 4 and 4 1/2. I do not know if that is what is happening in our primary schools but I feel that at least you need to have a constant teacher for a little while so that the teachers, as well as the nurses, could pick up some of this change in behaviour and try and get help for the children and the parents as soon as possible.

There are other things that lead to the type of behaviour that we are experiencing. Mr. Deputy President, I would like to share with you what a mason, he is not a master mason, who was working in my home said to me. He said, Mrs. Rickinson, when I was at school I used to beat up everybody. I said, what? He used to beat up everybody because he could not read, he could not write and he could not understand what was happening so he used to beat everybody. I said, but what happen? He said after that I left school and I learned a trade, I became a mason and then I had to go out and learn to read and write and now I can write my name and I can read and write and the people that I used to beat up, some of them are now in jail. I am here and I have never been in jail but some of those other people they are now in jail. So this is one example. I am not saying it is all children.

Sometimes they have dyslexia. Sometimes they do not understand for some reason or other and this is why you need nurses in the school. In 1996 you need to invest some money to have nurses there in the schools to assist with the different problems that arise in our young children and prevent them from learning.

Mr. Deputy President, I would also like to take another angle and to read, with your permission, a small quotation by Donabedian in 1976 and he wrote:

"There is a 'social contract' between society and the professions. Under its terms the society grants the professions authority over functions vital to itself and permits them considerable autonomy in the conduct of their own affairs. In return, the professions are expected to act responsibly, always mindful of the public trust. Self-regulation to assure quality in performance is at the heart of this relationship. It is the authentic hallmark of a mature profession."

Mr. Deputy President, this is a quotation ...

Mr. DEPUTY PRESIDENT: If the Honourable Member would give us the reference to that quotation so that in future if anybody wants to check they would know exactly where to look for it.

SENATOR Mrs. P. E. RICKINSON: Mr. Deputy President, it is by Donabedian in 1976 and it is in a Paper delivered by me at a seminar on health sciences Division Barbados Community College which I could make a document of the House on Health and the Law. I can make this a document of the Senate. This is the theme I used when I was talking to the nurses about their responsibilities. I tried to use the approach that there is an unwritten social contract you have to society and society gives you the liberty and the authority to do certain things as they did with the teachers in the olden days. As soon as the society feels that this social contract is not being honoured that authority is withdrawn.

Mr. Deputy President, I feel that this piece of legislation violates that unwritten social contract. I would like to see us wait a little while to see if we must, in the final analysis, implement such legislation and use the powers which society has given us in order to try and instill some values, not only in the children, but more particularly in the adults of this society.

Mr. Deputy President, it is not only the children who do not seem to know what is right and wrong. There are adults as well, people you work with, people you associate with in meetings and in organisations where there is a lot of deviant behaviour, doing deviant things and when you try to point out, you cannot do that, they seem to feel that you are speaking Greek or Latin and I do not understand how, for example, one could have a constitution to follow and then go and do the opposite to what is written in the constitution and would not conform whatsoever. These are the things that one has to deal with, with nursing leaders not little children in school, these are leaders in our society who are advising Government, who are behaving like this. Now, if the leaders are behaving like this what do we expect of the children?

You cannot bring, Mr. Deputy President, legislation for everybody because the jails are not big enough. The legislation does not need changing. But, Mr. Deputy President, permit me to read page 4, section 12 (b) of this amendment:

"Any pupil who is found in possession of any intoxicating liquor, controlled drug, gun, offensive weapon or any article that has been reported stolen is guilty of an offence and liable to summary conviction, if he is under the age of 16 years to a fine of \$1,000 or if the pupil is 16 years of age or older to such fine or to imprisonment for 6 months or both."

7.05 p.m.

The prisons cannot hold everybody. We have to find ways and means along with imprisonment. The very parents might not have the money. Are we going to put the parents

in jail and leave the other little children at home to defend for themselves? These are areas that we need to sit and discuss before we pass such legislation. We need to look at these implications that I call frightening and alarming as far as I am concerned. We hear what is happening in the prisons. They are going up there and some of them are coming back with AIDS. Is this where we want to put our children? We do not know but we are hearing all sorts of things.

Aside.

SENATOR Mrs. P. E. RICKINSON: Yes, we need nurses in the penal system. I have been asking for nurses in the penal system and I am asking for Psychiatric Nurses in the school system and Public Health Nurses. I do not think that we should be sending our very qualified Psychiatric Nurses to another country. That is what has been happening. We are wrongly advised. We need those Psychiatric Nurses here in Barbados to help deal with the behavioural problems because legislation alone has never solved anything. It cannot by itself. You need to have service and you need to have education to go with the legislation and legislation for our children should be the last resort because of the type of message that it sends.

Mr. DEPUTY PRESIDENT: I have been advised that the Honourable Senator has used up the allotted time.

SENATOR Mrs. P. E. RICKINSON: Thank you very much, Mr. Deputy President.

Mr. DEPUTY PRESIDENT: You may proceed, madam.

SENATOR Mrs. A. P. THOMPSON: Thank you, Sir. I could not allow this opportunity to pass and not make a few brief comments on this amendment to the Education Act. Now as a parent, I have some concerns and my concerns stem from my experience as a student and as one who has been in an environment from time to time in which there have been students who have indulged in all kinds of devious acts if you want to say that and who has been rescued as a result of the good counsel and caring attitude of principals and teachers in those institutions. I am one of those persons who believe that this is an extremely harsh measure. I live in Barbados and I will never deny that there are problems in the society. Both my children have left secondary school in Barbados, so I am aware that there are problems within the schools. But I also accept that a number of the problems are brought from within the wider society into the schools and that to attempt to deal with the problems which are so wide-ranging by implementing such measures within the schools to me is the incorrect approach to use. But before I speak further on that, I am a little concerned about what I am hearing

today that this White Paper on Education Reform is only a document for discussion. As I recall and I listened to the debate in the other House and we also debated this document here, it is from this document that all future legislation on education will spring. It was made quite clear that consultation was had across Barbados such as seminars and all kinds of discussions and that we had almost exhausted – that was the impression given – all avenues in order to arrive at this document. I therefore did not expect to hear from a Cabinet Minister that this Paper is up for discussion and therefore such reference as was made by Senator Mascoll, my colleague, could not be made to this document. I would really like a clarification on this because I recall that as many voices across and in the Opposition asked the Government for further discussion on this Paper. They were told that there was so much discussion going on for such a long time that there was no need for further discussion. Hence, this has been put out as the final document. That was what was given.

Therefore, Mr. Deputy President, as I looked into this document I looked for reference to searching the person and property. I saw reference to searching of property. The document did address that sometime in the future when the matter had been cleared about the Constitutional rights of individuals, that legislation would come on searching the property not the person. I have to wonder like my colleague, Senator Mascoll, what is it that has happened in one short year? This document is dated July, 1995. Today is the 28th of August, 1996. What is it that has happened in our education system between that period of time when we issued this very large document and today that has given rise to the need to introduce a Bill of this nature? I do not condone bad behaviour. Let me say from the outset that my input here is not to say that we should not find ways and means of dealing with young people who have serious behavioural problems. What I am saying though is that we should not seek to impose fines and imprisonment on such young people until we have thoroughly investigated the circumstances.

While I was a member of the Film Censorship Board, I had an opportunity to view a number of films which were coming to this country. One of the observations made by a number of members on that Board quite early was that somewhere down the road we are going to see serious problems in our education system as to the lack of quality of the films to which we were exposing our young adults. We talk about children in school having cocaine and all kinds of drugs on them. But I viewed a film and there was this little boy whose father was a big drug dealer. This little boy would get into all kinds of trouble and in order to win his father's affection he would push drugs for his father. He was only 10 years old and he used to take the drugs to school and on his way he would meet the different people with whom his father deal in that business and he would distribute the drugs for his father. I am saying that

to say that we need to find out a bit more about the background and circumstances. I agree with Senator Davis that we need to find out from what environment are these children coming when we find them in these situations. 7.15 p.m.

The idea of searching people I find disturbing, and I will say why. When a young lady is reaching the stage of adolescence – all women in here and I think men know that too, when young boys are going through that period – you do not even want your parents to see you undress. You contort your body in all kinds of shapes in order that your own parents should not see your naked body. I think that in a way this legislation is saying that the child has no feeling, the child is not a being, the child is not experiencing that dehumanising effect which the older adult experiences. Stripping a 10 year old child in the presence of a teacher is a dehumanising act, and we need to think about the person, we need to think about the individual. In our attempt to solve these problems we need to find out what far-reaching effects such acts would bring. One of the things this action can do is make a child feel that adults no longer care about me. The adult does not feel that I know what it is to be embarrassed. The adult does not feel that I would hurt too, that I have some privacy which I want to protect, and instead of helping to correct what we consider to be an ill in society, we could cause this young child to develop this kind of aggression and maybe hatred against adults for not respecting him or her as an individual. We need to look at these things, Mr. Deputy President. Remember, I am all for decency and good behaviour and good morals, but I believe we have to respect the individual.

I also believe that this is a Bill which is attempting to deal with the symptoms. We have to try to get to the cause. What is it that would cause a young child to bring a gun to school? Is it that this child wants to commit a violent act? Is it that this child lives in a very violent environment at home and no longer has trust for adults, and believes that unless he protects himself he is in grave danger? What is it? What are we going to do in order to find out what is responsible for that youngster bringing that gun to school? We are assuming that the gun is brought to school for an act to be committed at school, because we are saying that the teacher is in fear and that other children within the school environment are in fear. But we need to ask questions. That is why I believe we need to restore to the Heads in our school system that authority.

Aside.

SENATOR Mrs. A. P. THOMPSON: It was removed in the amendment to the Education Act.

SENATOR Miss C. Y. FORDE: Mr. Deputy President, ...

Mr. DEPUTY PRESIDENT: On what does the Honourable Senator rise?

SENATOR Miss C. Y. FORDE: The Senator is misleading us.

Mr. DEPUTY PRESIDENT: On what does the Honourable Member rise?

SENATOR Miss C. Y. FORDE: On a point of order. Clarification, Mr. Deputy President. The 1981 Education Act did not remove that authority. It was never embedded in the Constitution and I particularly checked it just now. This particular bit of legislation is now going to give the Principals that authority. If Principals have told the children to open the bags, take their clothes off, if a child did it that was accepted, but the Principal could not touch that child, otherwise the Principal would be liable in a court of law.

Thank you.

SENATOR Mrs. A. P. THOMPSON: There is something called "by implication". What was it present then in the society which made people, Principals, parents, students and all Barbadians believe that that authority was present in the school? What was it that removed that belief from the people? If it has not been removed, why have the Principals been calling for a return? Why is it?

Mr. Deputy President, I had a stint in teaching too. I taught in one of the areas in Barbados considered to be a bad area. I taught at Westbury Primary School and many of the students who attended that school came from the City area – Baxters Road, New Orleans – and one of the first things I was told as I entered that school as a very young person just out of school two days, because I left school on the Friday and on the Monday I went to Westbury School to teach, and one of the first things I was told: "Remember, this school is in a neighbourhood where the children are bad, their mothers indulge in this at night, their fathers indulge in this in the day and you have to be very careful." I was just 17 1/2 years old at the time.

Mr. Deputy President, I must say it was an extremely challenging time for me, in that I discovered that because of the exposure, because of the number of things those children saw they were many years ahead of their time. I was teaching children age 4 to 6 and they were very much ahead of their time. I was very afraid sometimes of some of the things they would say to me and some of the things they did. I am saying that to say that the behaviour of our children in the schools is a reflection of the environment from which they have come, and whenever we are attempting to deal with problems we cannot just bring one piece of legislation to deal with every problem there is in the schools. We have to start to deal with these problems at the individual level.

Therefore, Mr. Deputy President, you will see that I really cannot support legislation which seeks to place fines on young children and which seeks to further imprison them. I do not know what prison you are talking about, but we have already said that a number of young people who end up in prison come out as prisoners for life. I would like for the Government to explain in very great detail what form this imprisonment under this legislation would take. I think it is very important, because a number of the people who are shouting "Hurrah" and making a lot of fancy noises probably want to find out that too.

There is a strange thing that happens in small societies. You have legislation but only a few people sometimes suffer as a result of this legislation, because when you know somebody in high places, when you can ask somebody to put in a word for you, when you can have a string pulled, when you are the son of somebody, despite the fact that you have committed some of these same acts, this legislation does not reach you. I do not think we should fool ourselves about this. The other thing is, in the so-called prestigious schools in Barbados where some of the very acts are committed....

I know that in the leading secondary schools in this country and the prestigious ones that a number of these very acts that we hear so much about have been committed. They don't reach the public and the reason you don't hear about them is because it is in the interest of a number of people.

7.25 p.m.

Mr. DEPUTY PRESIDENT: I would like to remind Honourable Senators of Standing Order 37, especially 37C. Go ahead, Senator.

SENATOR Mrs. A. P. THOMPSON: It is in the interest of certain individuals who have connections to those prestigious institutions and who want to protect their names not to say anything; but you will always hear about the other schools, the school that is no school, according to certain people, when these things happen. You see that is why I cannot support legislation like this because I know quite well who are the people who will pay \$1000 or whatever it is and I know quite well who are those children who will end up being imprisoned.

I do not bury my head in the sand. I have two daughters, one went to St. Michael School and one went to Ellerslie School so just in case you all get the wrong impression one of my daughters went to St. Michael and one attended Ellerslie School because I am not one of those parents who has hangups about schools. I thought that regardless which school my children went to they would turn out to be good children. The point I want to make is this. Penalising children with this kind of legislation and I sat in here today and heard that we are trying

to turn things around. This legislation can turn nothing around if it is a problem that is a result of broken homes in which the parents are pushing drugs and the child is a part of that. This legislation has changed nothing. If the problem is as a result of a child coming from a home in which there is nothing to eat and a child finds it necessary because of the promptings of the parents and others to go out and steal, this legislation has changed nothing.

I want to share an experience. I attended a secondary school at which there was a student who stole from the 1st form to the 5th form. Today, she is a prominent citizen, whatever part of the world she is, because only recently in a gathering of past students I asked about her and I got very favourable reports about her. I don't indulge in name calling. I attended a secondary school in which there were students who spent many days on the platform backing the hall, out of classes every day as a form of punishment. The point I want to make is they did not appear before any magistrate's court or they didn't have to pay any fines.

The point I am trying to make, Mr. Deputy President, is that there are methods which can be employed to turn people around and we do not have to resort to fines and imprisonment. I heard a Senator earlier, and you know, we are behaving as though overnight in Barbados things are happening. There were no guns at the time but there were the sharpest pencil points you could get and they did quite a bit of harm. There are children who got one eye as a result of an act which another child committed by using a pencil point. I remember when the youngsters used to take the sulphur from the matchboxes and mash up the fingertips of their friends in primary school. Why do we fool ourselves?

It depends on what you have at the time. Children always use what is available at the time. What we have to do is to look for methods of dealing with these children to suit the behaviour at the time. I do not believe that we must fine them and imprison them. Mr. Deputy President, nobody is stopping me from talking today.

Mr. DEPUTY PRESIDENT: That is true. Do not let them keep you from your speech.

SENATOR Mrs. A. P. THOMPSON: I have a brother. Mr. Deputy President, you know I am never ashamed to talk about myself. The problem with this society is that too many people like to look out and if they would only start at the inside they would be able to deal honestly with situations.. The man in the middle. That is where we should start.

I have a brother who hid from school on many a day. Some days we discovered that he went to school for only

two days and my mother was a Christian woman and she could not understand why he was behaving like that. A headmaster decided that he would get to the bottom of the problem and he invited my brother to his house and he talked to him.

Aside.

His problem was that he was so afraid of his father who would never hug or love but would always flog. He would not ask why. He would hit first and then say why. He had this youngster so afraid that every opportunity he got to get out of the house he thought it was an opportunity for him to go off and relieve himself of the stress at the thought of having to go home. His father didn't even want you to go outdoors unless you had to run an errand.

We need, Mr. Deputy President, before we seek to punish our children in this harsh fashion to try to get to the root of their problems. I am not saying there are no problems because I live in the same Barbados as everybody else. I read newspapers like everybody else. What I had tried to do and one of the goals I have set myself is to try to turn things around. In programmes relating to young people you ask questions. You try to find out what are some of the things responsible for this misconduct. You discover that there is too much materialism in our society. There are very few children who would say to you, "I regret that I am poor. I would like to be rich."
7.35 p.m.

Last year, in conducting sessions during the Richard Stoute Teen Talent Competition with a number of youngster who were exposed to that competition, I did some sessions with them. One of the questions I asked was, "Who are you?". You must ask yourself that question, "Who am I?" and try to answer it. At least 3 youngsters broke down in that room. Do you know what their problem was? When they asked themselves who they were, they did not like who they discovered that they were. They never asked the question, but they did not like the thought that they are who they are. That is the problem.

We do not try to get our children to understand that because we are living in a certain condition today does not mean that you are going to remain in that condition for the remainder of your life. We do not say to our children, "There is no crime in poverty." Some of us are born poor and become very wealthy. Some are born wealthy and become very poor. Those are not the stories that we tell our children, so our children are of the belief that unless they can live and have a good life like anybody else, like the fancy people that they see on the television screen, that they are nobody.

I cannot understand, in a society in which we are planning to introduce, maybe, 100 channels on television – I understand that we are going to be bringing several channels on television, that we could be opening up our children to all of those external cultures, and at a time bringing an amendment like this to an Education Act.

What do you expect when young and impressionable minds are exposed to all kinds of devious acts of behaviour? What do you expect out of them when we have accepted that our children are on the television screen? When we have accepted that in order to keep up with the Joneses many parents are working 2 jobs, working extra time, they should be at home trying to help to bring their children up. What do we expect?

Therefore, Mr. Deputy President, I have very great difficulty supporting an amendment to an Education Act. An amendment which seeks to deal with children. What that connotes for me is that you are not responsible for yourself. What that is saying to me is that there is some ward, some parent, some guardian, some adult, who must be held responsible for you and your act. Therefore, I cannot support any legislation that is going to deal with children in this fashion.

I cannot believe that this is 1996 either when I heard the tone and certain remarks. The "hang them" and all of these things. I really cannot believe that I am living in Barbados in 1996. Adults put so much violence in their language, and then they expect children to be saints. It is unbelievable when you turn on a television or radio and you hear adults saying, "hang them, hang them." Then we expect children not to be violent.

Children mimic the adults. They get their character, they behaviours are all determine by what they learn from the adults. If we are going to deal with our children, we have to deal with our adults.

For a long time, maybe I should not put this on the record of Parliament, I have been wondering how should we deal with parents of children under a certain age, who are found committing certain acts. This is something that I agonise over all the time. Who is responsible? Who should bear the burden of any penalties? I must say that it is alright to advocate your responsibility of parenting. A lot of this legislation is to do with it. Is it going to make parents better parents? How? How is it going to make parents better parents? If the parents do not care any how, is it going to make the child any better?

Mr. Deputy President, I would like to implore Government, I will like to appeal to this Government to

look at this again. The Government of Barbados should look at this amendment to the Education Act again.

I understand that the Government is attempting to deal with problems within our schools. I accept that there are problems within our schools, but I do not accept that this is the route that we should take in order to address these problems. I do not accept that this is the route. I would therefore want to make sure that I go on record as saying that I do not support this amendment to the Education Act.

Thank you, Sir.

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, I beg to move that this Bill be read a second time.

The question that the Bill be read a second time was put to the Senate and agreed to.

On the motion of SENATOR THE HON. R. R. FARLEY the Senate went into Committee on the Bill, SENATOR Miss O. P. SYMMONDS in the Chair.

COMMITTEE

Madam CHAIRMAN: The Senate is in Committee.

Clauses 1 and 2 were called and passed.

On the motion of SENATOR THE HON. R. R. FARLEY, Madam CHAIRMAN reported to HIS HONOUR, the DEPUTY PRESIDENT the passing of one Bill in Committee and Mr. DEPUTY PRESIDENT resumed the Chair and reported accordingly.

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, I beg to move that this Bill be now read a third time.

The question that this Bill be read a third time was put to the Senate and agreed to, the Senate dividing as follows:

Ayes: SENATORS: HON. R. R. FARLEY, HON. P. C. GODDARD, HON. G. S. H. MURRAY, MISS C. Y. FORDE, T. E. BARKER, MISS O. P. SYMMONDS, D. T. GILL, MISS J. C. ODLE, N. A. LYNCH, N. P. WELCH and C. K. LAURIE – 11.

Noes: SENATORS: MRS. P. E. RICKINSON, MRS. V. J. DAVIS, MRS. A. P. THOMPSON and C. A. MASCOLL – 4.

On the separate motions of SENATOR THE HON. R. R. FARLEY the Bill was passed and cited as the Education (Amendment) Bill, 1996.
7.45 p.m.

ORDER NO. 6 – THE NATIONAL PRODUCTIVITY COUNCIL BILL, 1996

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, the Bill before us, the National Productivity Council Bill 1996 effectively will repeal the existing National Productivity Board Act and basically create a new legal framework for the National Productivity Board. The nature of this Bill, Sir, really seeks to place the National Productivity Board on a full footing as a full-fledged statutory organisation.

The Board was established as one of the agreements within the Prices and Income Protocol of 1991/92 and basically started as tripartite body to give effect to the general movement towards the direction of increased competitiveness through increased productivity. At the time of its establishment however the legal framework did not include, for example, the policy-making aspects relating to the Board. It did not allow, as is normal in those organisations, for the Board to hire its own staff and to create pension arrangements and so on. It was established and given a notional legal status to give effect to the decision. Arising out of the experience of the operation of the Board in its early years and also the assistance of a short consultancy that was done by Dr. Nurse of UWI a new structure for the Board has been agreed on. You will notice that the legislation generally is quite similar to the former Bill except in the areas where the name has been changed and the name change has been done to avoid confusion between the Board of Directors and the corporate entity so that rather than having both the Board of Directors called the Board and the corporate entity the Board the entity would now be the council and the Board of Directors will be appropriately defined. The other change relates to the provision for the hiring of staff and the provision for pensions. The functions of the Board are essentially the same as they were previously. I beg to move that this National Productivity Council Bill be now read a second time.

SENATOR Mrs. P. E. RICKINSON: Mr. Deputy President, I rise to support this National Productivity Board Bill wholeheartedly. I am glad that it is being put on a more independent footing. I also support the CTUSAB being a member of the Board but I would like to say a few short words about section 4 – the functions of the Council to create and develop methodologies for productivity measurement ...

Aside.

SENATOR Mrs. P. E. RICKINSON: Aren't the Labour unions represented? I am not so sure what it refers

to. I interpret it as the Members of the Board, as organisations representing workers like CTUSAB who is a member of the last Board and I sincerely hope that they will be invited again to be a member of that Board.

I was speaking about section 4(a) "to create and develop methodologies for productivity measurement, management and improvement in the public service and the private sector;"

Mr. Deputy President, the Barbados Registered Nurses Association was among one of the first organisations who worked with the National Productivity Board to develop an evaluative instrument for which we are very grateful. However it is stuck somewhere and even though it has been developed and the nurses have agreed to use it and we want to use it, we have not been able to make it walk from development into use. I hope that the National Productivity Board will use the lobbying process in order to get organisations to use the measurements that have been developed to measure productivity.

I know that there are some organisations who claim that we cannot measure certain things, for example, like nursing. We know you cannot measure everything but there are certain things that can be measured and can give us some form of guidelines of how the nurses are functioning be it at the bedside or in the community, and it will also give them ways to improve.

In essence now I am asking for them to perform a lobbying position to try and see if they cannot put pressure on the various agencies to at least start implementing the instruments that they helped to develop.

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, I beg to move that this Bill be now read a second time.

The question was put to the Senate and agreed to.

On the motion of SENATOR THE HON. R. R. FARLEY, Mr. DEPUTY PRESIDENT left the Chair and the Senate went into Committee on the Bill, SENATOR Miss O. P. SYMMONDS in the Chair.

Madam CHAIRMAN: The Senate is in Committee.

Clauses 1 to 5 were called.

SENATOR C. A. MASCOLL: Madam Chairman, I just want to make one comment on the Bill. I am fully supportive of this Bill but I just want to in fact alert Government to encourage the private sector to use the information of Clause 4. All I am saying is that as we move towards the Value Added Tax system that the concept of value added is in fact the most

popularly used measure of productivity worldwide and that this is a prime opportunity for the private sector especially to use the information which it can recover from the preparation of the Value Added Tax to measure productivity within the organisations at the micro level in a way that provides not only the organisation itself but also the unions with an abundance of information for productivity measures which it can recover from the preparation of the Value Added Tax to measure productivity within the organizations at the micro level in a way that provides not only the organizations but the unions with an abundance of information for productivity measures. So I am just alerting because I have said it before but it is not so widely obvious that in fact the VAT does contain quite a lot of information on the whole question of productivity measurements and can be therefore used.

7.55 p.m.

The question that Clauses 1 to 5 stand part was put to the Senate and agreed to.

Clauses 6 to 10 were called and passed.

Clauses 11 to 15 were called and passed.

Clauses 16 to 20 were called and passed.

Schedule was called and passed.

On the motion of SENATOR The HON. R. R. FARLEY, Madam CHAIRMAN reported to His Honour Mr. DEPUTY PRESIDENT the passing of one Bill in Committee and Mr. DEPUTY PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR The HON. R. R. FARLEY, the Bill was read a third time and passed.

ORDER NO. 7 – TO MOVE THE SECOND READING OF THE PORT ST. CHARLES DEVELOPMENT BILL

SENATOR The HON. R. R. FARLEY: Mr. Deputy President, this Port St. Charles Development Bill seeks to provide for the vesting of reclaim land in Port St. Charles Development Limited, the maintenance of Port St. Charles by the said company and the construction of a public access to the beach by the company as well as for related matters primarily relating to the proper functioning of that port. As you know, Sir, this property in question is an area of some 22 acres north of Almond Beach Hotel at Heywoods which consist essentially of a reclaimed swamp which is being dredged to become a lagoon and thereby create an inland marina. The project will ultimately have in addition to the marina 153 apartment units of various configurations as well as a yacht club, restaurant and

ancillary facilities and services and the usual access roads, parking areas and so on. Much of the legislation before the Honourable Senate relates to enforcing some of the conditions already attached to the project in terms of the nature of the planning permission that has been given. It was felt that in addition to those particular conditions laid out in the planning permission specific legislation was required with respect to the nature of land that might be reclaimed given the fact that the Crown owns the land under the ocean and reclaimed land typically and automatically becomes Crown lands. We will provide for the procedure of vesting the reclaimed land in the company as part of the project.

In addition, Sir, the project proposes to include some works in the ocean particularly a jetty and docking facilities are to be built in the near shore waters. The Bill makes provision for the regulation of that particular project by the Harbour Master and the Minister responsible for Shipping in order to ensure that there is adequate recourse should the requirements of the Town Planner not be met which relates to the general maintenance of the jetty and other facilities in the water as they relate to the potential environmental impact. The Bill makes provision for the Harbour Master to undertake any or all such work and to reclaim the cost of doing such work in the relevant courts. In addition, Sir, the Bill also makes provision for that already provided in the Town Planning regulations for the Chief Town Planner to direct that any buildings or any structures which might likely cause erosion and other damage to the fore shore can be modified or removed at the expense of the company. The Bill also makes provision for adequate public access to the beaches. It is not enough first to recognize that beaches are public properties and so on, but the practical realities are that unless adequate provision is made for persons to be able to make access to the beach then the fact that the beaches being public properties become a moot point. So that the Bill makes provision for the company to ensure that adequate access is available.

Mr. Deputy President, I beg to move that this Bill be now read a second time.

Mr. DEPUTY PRESIDENT: The question is that this Bill...Senator Mascoll.

SENATOR C. A. MASCOLL: Sir, it is not very often that one gets a chance to have two bits of the cherry. The reclaiming of this land is of course an absolute necessity for the project to reach a stage of completion. There is little that one can even attempt to criticize or object to. But the thing is that I had asked the question before as to whether or not this project lies within the Special Development Area. Is this project entitled to the kinds of concessions that other such projects would be

entitled to? The relevance of the question relates to whether or not this project is perceived to be a tourist related project and, if so, it is slightly confusing, because I got the impression that any project contained within the Special Development Areas would be entitled to all such concessions, but I also know that we are very well aware that there are several tourist related projects which do not lie within the boundaries of the SDAs but which could also be entitled to special concessions, and the projects which are being constructed by Barbadians. So one is quite unclear as to the benefits that would be fully derived from this project and why it is that this kind of project is not entitled to the kinds of provisions in terms of concessions that are being granted in other areas.

8.05 p.m.

I visited the site on the weekend to try to get a feel for the magnitude of the project and what was very noticeable is the absence of a large number of workers on the site, but this was because of the nature of the construction that is taking place. In fact, this thing is being constructed, built and everything overseas and is being assembled in Barbados, so the actual job creation from the project is not going to be as significant as might have been anticipated initially. There is difficulty in understanding the magnitude and therefore the spinoff effects of job creation that would result in that area.

The project itself, as I said, while attempting to reclaim land, we all know that it is also intended to put almost 160 condominiums on this site, which is going to substantially upgrade the land, and I am basically on my feet to make a response to an argument that I put forward that was rejected by an adopted Government Senator. Unfortunately, the individual is absent, but the thing that is important is that I did say that while the value of that land at Port St. Charles would be appreciating substantially as a result of this project, the land adjacent in the Heywoods Estate would in fact be appreciating also in value, and as a consequence, given the method of revaluation by the Land Tax Department, the owners of those properties can expect an increase in valuation. That, therefore, means that even in the absence of new construction on the site, there will for tax purposes be an increase in the valuations of the properties. I am amazed as to how that point could have been missed in the debate that took place recently, because it must be the case that properties in Heywoods Estate will appreciate and as a consequence the next time around there will be higher land values and therefore higher land and property taxes.

In addition to that, there has to be increased insurance cost as a result of the increased value, so that the owners of the properties will in the short-term encounter increased outlays. This is the point that has to be made. Therefore,

I am a little concerned, not because of the increase in the valuation of the land, or the appreciation, that is absolutely accepted or embraced by the owners, but that only becomes an issue in the event that the owners seek to get rid of the existing property which they have there. It is quite possible that it will happen in light of the fact that the kind of capital gain one can realise from the sale of that property would certainly be an encouragement to those individuals to sell the property and look elsewhere. There are a lot of spinoffs that can come as a result of this whole project that is being conducted at Heywoods.

Just let me quickly say that given the nature of this project I cannot anticipate any substantial job creation, continuation of foreign inflows beyond the initial purchasing of the property, and the reason for that is that we can anticipate that most owners of those condominiums would only be spending part of their time in Barbados.

Aside.

SENATOR C. A. MASCOLL: They have yachts, why would such individuals not bring all their food and clothing into Barbados when they are coming for that particular period? One cannot see the substantial spinoff that is being anticipated. Why would you leave the United States, where you can have access to much cheaper products – food, clothing and all kinds of appliances – and come to Barbados for a short period? There are some things one cannot see. I cannot anticipate any substantial impact in terms of the foreign exchange inflow. The other thing is that I cannot see it in terms of job creation, except for the few maids that might be hired as a result, and one or two other areas, like restaurants. I am anticipating that these condominiums will be within the Special Development Area and I am suggesting that there will not even be any returns in terms of the land and property taxes, because they would be given such concessions, and as a result I stand charged in saying that I am not convinced that the magnitude of the benefits which we hold for this project will be realised in the medium to long term.

I am therefore calling for projects which I can name, but I will not name. . . .

Aside.

SENATOR C. A. MASCOLL: The worst thing you can do is threaten me. I can therefore take my time and speak.

Asides.

SENATOR C. A. MASCOLL: Mr. Deputy President, I had intended to come home within the next

two minutes, but there seems to be an inclination or proclivity on the part of Independents. Just let me say that I am seriously calling on Government to extend this generosity to a number of projects which are tourist related, to enhance opportunities for Barbadians to get more involved in these kinds of ventures. The reason why I will not call any names is that some people within the Chamber may have interest.

One last thing, Sir. It is well known that there is a major Credit Union which has 22 acres of land within the immediate environs. They have been approached and it is in the interest of that Credit Union to give greater hope to a wider cross section of Barbadians to have access to such land within this area, because it may not be in the interest of the credit unions to sell the land. In fact, we can very well say that it would not be in their interest because the credit unions themselves sometime ahead may very well be given concessions by Government to develop that area for housing so that I am calling on them not to make any attempt at this stage to sell that property. Thank you.
8.15 p.m.

SENATOR C. K. LAURIE: I just wanted to record for posterity that this project at Port St. Charles is a major archaeological site that has been discovered in Barbados. The finds have preliminarily shown that we go back to the pre-ceramic age in Barbados which is the first find in Barbados of pre-ceramic work, carbon dating on artifacts indicate that it was somewhere before the birth of Christ or about 1600 BC. This extends our archaeological history back by five or six centuries previous to the previous finds. The site is at the southern edge of the Port St. Charles site and probably extends under the present public parking lot at Heywoods. So there is a possibility that if necessary we may have to dig up that parking lot temporarily and replace it if it is of great archaeological interest.

I would also like to record the Barbados Museum and Historical Society's thanks to the developers of Port St. Charles because they did stop bulldozing and did allow us to bring in an archaeologist from the U.K. and put teams of people down there for some salvage archaeology. It was obviously not done during the week. It had to be done on weekends when there was no bulldozing going on and a considerable amount of finds were located and very unique types of pots with diameters of about 3 feet were found, there were used as casings for wells which is an entirely new thing as far as I know for pre-Columbian archaeology in the whole of the Caribbean and so it was really a very interesting site and I think I would like to express my appreciation to the owners of Port St. Charles for the

opportunity given to the Museum to do the necessary salvage archaeology.

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, I beg to move that this Bill be now read a second time.

The question was put and agreed to.

On the separate motions of SENATOR THE HON. R. R. FARLEY, Mr. DEPUTY PRESIDENT left the Chair and the SENATE went into Committee on the Bill, SENATOR Miss O. P. SYMMONDS in the Chair.

COMMITTEE

Madam CHAIRMAN: The Senate is now in Committee.

Clauses 1 to 5, 6 to 12 were called and passed.

SENATOR THE HON. R. R. FARLEY: I beg to move that the Schedule be the Schedule to the Bill.

The question was put and agreed to.

On the motion of SENATOR THE HON. R. R. FARLEY, Madam CHAIRMAN reported the passing of one Bill in Committee and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR THE HON. R. R. FARLEY the Bill was read a third time and passed.

ADJOURNMENT

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, I want to inform Honourable Members of this Senate that we have cleared the items on the Order Paper and that the House of Assembly having been adjourned until the last week in October we are therefore not likely to meet until sometime subsequent to that period.

I would also want to inform the Honourable Senators that for those who might have spoken themselves into a hunger or thirst that dinner is served downstairs.

I beg to move that the Honourable Senate do now adjourn *sine die*.

The question was put and agreed to and Mr. DEPUTY PRESIDENT adjourned the Senate sine die.

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